

**YTL POWER INTERNATIONAL BERHAD**  
Company No. 406684-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 September 2017**

**YTL POWER INTERNATIONAL BERHAD**  
Company No. 406684-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 September 2017**

	<b>Page No.</b>
<b>Condensed Consolidated Income Statement</b>	<b>1</b>
<b>Condensed Consolidated Statement of Comprehensive Income</b>	<b>2</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>3 - 4</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>5 - 6</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>7 - 8</b>
<b>Notes to the Interim Financial Report</b>	<b>9 -23</b>

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial period ended 30 September 2017.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2016 RM'000	3 MONTHS ENDED 30.9.2017 RM'000	
Revenue	2,578,396	2,340,624	2,578,396	2,340,624
Cost of sales	(2,060,077)	(1,883,359)	(2,060,077)	(1,883,359)
Gross profit	518,319	457,265	518,319	457,265
Other operating income	15,472	15,953	15,472	15,953
Other operating expenses	(135,513)	(166,211)	(135,513)	(166,211)
Profit from operations	398,278	307,007	398,278	307,007
Finance costs	(281,006)	(201,146)	(281,006)	(201,146)
Share of profits of investments accounted for using the equity method	95,596	82,919	95,596	82,919
<b>Profit before taxation</b>	212,868	188,780	212,868	188,780
Taxation	(57,737)	(38,176)	(57,737)	(38,176)
<b>Profit for the period</b>	155,131	150,604	155,131	150,604
<b>Attributable to:</b>				
Owners of the parent	132,448	146,548	132,448	146,548
Non-controlling interests	22,683	4,056	22,683	4,056
	155,131	150,604	155,131	150,604
<b>Earnings per share for profit attributable to owners of the parent</b>				
Basic (sen)	1.71	1.90	1.71	1.90
Diluted (sen)	1.70	1.89	1.70	1.89

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2016 RM'000	3 MONTHS ENDED	
			30.9.2017 RM'000	30.9.2016 RM'000
<b>Profit for the period</b>	155,131	150,604	155,131	150,604
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to income statement:</i>				
Available-for-sale financial assets	(39,336)	(24,693)	(39,336)	(24,693)
Cash flow hedges:				
- Subsidiaries	102,489	103,142	102,489	103,142
- Associates and joint ventures	6,267	8,430	6,267	8,430
Currency translation differences:				
- Subsidiaries	52,997	189,973	52,997	189,973
- Associates and joint ventures	(24,888)	77,199	(24,888)	77,199
	-----	-----	-----	-----
<b>Other comprehensive income for the period, net of tax</b>	97,529	354,051	97,529	354,051
	-----	-----	-----	-----
<b>Total comprehensive income for the period</b>	252,660	504,655	252,660	504,655
	=====	=====	=====	=====
<b>Attributable to:</b>				
Owners of the parent	241,045	479,504	241,045	479,504
Non-controlling interests	11,615	25,151	11,615	25,151
	-----	-----	-----	-----
	252,660	504,655	252,660	504,655
	=====	=====	=====	=====

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30.9.2017</b>	<b>30.6.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	21,587,914	21,334,981
Investment properties	449,522	432,935
Intangible assets	8,369,178	8,392,717
Investments accounted for using the equity method	2,230,765	2,245,363
Investments	940,826	822,780
Derivative financial instruments	20,579	13,502
Receivables, deposits and prepayments	1,165,120	1,135,578
	-----	-----
	34,763,904	34,377,856
	-----	-----
<b>Current assets</b>		
Inventories	443,759	448,947
Investments	2,328,979	2,503,011
Receivables, deposits and prepayments	2,279,102	2,170,186
Derivative financial instruments	99,832	51,859
Cash and bank balances	8,280,779	8,946,301
	-----	-----
	13,432,451	14,120,304
	-----	-----
<b>TOTAL ASSETS</b>	48,196,355	48,498,160
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
Share capital	7,021,524	7,019,847
Reserves	7,191,196	6,950,286
Treasury shares, at cost	(711,309)	(711,308)
	-----	-----
Equity attributable to owners of the parent	13,501,411	13,258,825
Non-controlling interests	206,951	230,855
	-----	-----
<b>TOTAL EQUITY</b>	13,708,362	13,489,680
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30.9.2017</b>	<b>30.6.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred taxation	1,785,908	1,761,764
Borrowings	27,597,472	23,807,374
Post-employment benefit obligations	1,128,629	1,115,512
Grants and contributions	554,865	547,775
Derivative financial instruments	9,867	24,437
Payables	871,376	862,118
	-----	-----
	31,948,117	28,118,980
	-----	-----
<b>Current Liabilities</b>		
Payables and accrued expenses	1,977,274	1,914,665
Derivative financial instruments	89,112	121,980
Post-employment benefit obligations	1,699	3,007
Taxation	147,372	129,560
Borrowings	324,419	4,720,288
	-----	-----
	2,539,876	6,889,500
	-----	-----
<b>TOTAL LIABILITIES</b>	34,487,993	35,008,480
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	48,196,355	48,498,160
	=====	=====
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	1.74	1.71
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	-----Attributable to Owners of the Parent-----				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
At 1 July 2017	7,019,847	(865,862)	(711,308)	7,816,148	13,258,825	230,855	13,489,680
Profit for the financial period	-	-	-	132,448	132,448	22,683	155,131
Other comprehensive income for the financial period	-	108,597	-	-	108,597	(11,068)	97,529
Total comprehensive income for the financial period	-	108,597	-	132,448	241,045	11,615	252,660
Dividends paid to non-controlling interests	-	-	-	-	-	(35,519)	(35,519)
Issue of share capital	1,542	-	-	-	1,542	-	1,542
Share option lapsed	-	(122)	-	122	-	-	-
Share repurchased	-	-	(1)	-	(1)	-	(1)
Warrants reserves	135	(135)	-	-	-	-	-
At 30 September 2017	7,021,524	(757,522)	(711,309)	7,948,718	13,501,411	206,951	13,708,362

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	-----Attributable to Owners of the Parent-----						Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Merger & Other Reserves	Treasury Shares	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2016	4,050,801	2,792,660	(1,713,893)	(711,306)	8,092,719	12,510,981	242,337	12,753,318
Profit for the financial period	-	-	-	-	146,548	146,548	4,056	150,604
Other comprehensive income for the financial period	-	-	332,956	-	-	332,956	21,095	354,051
Total comprehensive income for the financial period	-	-	332,956	-	146,548	479,504	25,151	504,655
Dividends paid to non-controlling interests	-	-	-	-	-	-	(19,662)	(19,662)
Issue of share capital	6,779	8,678	-	-	-	15,457	-	15,457
Share option lapsed	-	-	(52)	-	52	-	-	-
Warrants reserves	-	1,356	(1,356)	-	-	-	-	-
At 30 September 2016	4,057,580	2,802,694	(1,382,345)	(711,306)	8,239,319	13,005,942	247,826	13,253,768

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.



**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>3 MONTHS ENDED</b>	
	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit for the financial period	155,131	150,604
Adjustment for:		
Allowance for impairment of inventories	261	340
Allowance for impairment of receivables (net of reversals)	21,885	21,549
Amortisation of deferred income	(2,210)	(1,486)
Amortisation of grants and contributions	(4,559)	(3,529)
Amortisation of intangible assets	15,298	21,315
Depreciation of property, plant and equipment	268,000	255,923
Interest expense	281,006	201,146
Interest income	(2,515)	(6,940)
Net gain on disposal of property, plant and equipment	(1,532)	(3,186)
Provision for liabilities and charges	559	-
Provision for post-employment benefit	11,765	8,695
Share of profits of investments accounted for using the equity method	(95,596)	(82,919)
Taxation	57,737	38,176
Unrealised loss on foreign exchange	6,298	353
Other non-cash items	1,403	3,502
	-----	-----
	712,931	603,543
Changes in working capital:		
Inventories	4,755	(25,525)
Receivables, deposits and prepayments	(220,522)	17,224
Payables and accrued expenses	80,322	(400,927)
	-----	-----
Cash flows from operations	577,486	194,315
Interest paid	(197,607)	(197,319)
Payment to post-employment benefit obligations	(11,738)	(14,431)
Tax paid	(33,055)	(56,043)
	-----	-----
Net cash flows from/(used in) operating activities	335,086	(73,478)
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - Continued**

	<b>3 MONTHS ENDED</b>	
	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Additional investments accounted for using the equity method	-	(4,022)
Additional investments	(311,975)	(59,930)
Dividends received	95,279	56,255
Grants received	5,364	12,371
Interest received	3,746	7,847
Prepayment for land acquisitions	-	(20,171)
Proceeds from disposal of investments	350,000	-
Proceeds from disposal of property, plant and equipment	2,300	3,069
Purchase of intangible assets	(6,985)	(10,561)
Purchase of investment properties	(9,981)	-
Purchase of property, plant and equipment	(329,922)	(141,559)
Shareholder loans	(19,215)	-
	-----	-----
Net cash flows used in investing activities	(221,389)	(156,701)
	-----	-----
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interests	(35,519)	(19,662)
Proceeds from borrowings	6,263,303	69,480
Proceeds from issue of shares	1,542	15,457
Repayment of borrowings	(7,015,884)	(115,470)
Repurchase of own shares	(1)	-
	-----	-----
Net cash flows used in financing activities	(786,559)	(50,195)
	-----	-----
Net changes in cash and cash equivalents	(672,862)	(280,374)
Effects of exchange rate changes	8,323	158,351
Cash and cash equivalents at beginning of the financial year	8,943,033	9,696,102
	-----	-----
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	8,278,494	9,574,079
	=====	=====

*[Note a]*

Cash and cash equivalents at the end of the financial period comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	7,957,745	8,748,124
Cash and bank balances	323,034	825,955
Bank overdrafts	(2,285)	-
(included within short term borrowing in [Note B9])		
	-----	-----
	8,278,494	9,574,079
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2017.

**A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2017.

The adoption of MFRSs or amendments to MFRSs which were effective for financial year beginning on or after 1 July 2017 do not have significant financial impact on the Group.

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

**A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

**A3. Unusual Items**

For the current financial year to date, there was no item of unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

**A4. Changes in Estimates of Amounts Reported**

There was no significant change to estimate of amount reported in prior interim periods or prior financial years.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A5. Changes in Debt and Equity Securities**

During the current financial quarter, the Company issued 1,352,524 ordinary shares pursuant to the exercise of Warrants 2008/2018 at a weighted average exercise price of RM1.14 per share.

There was no share issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme during the current financial quarter.

A total of 1,000 ordinary shares were repurchased from the open market for a total consideration of RM1,465 for the current financial quarter. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2017, the number of treasury shares held was 384,267,779 ordinary shares.

The outstanding debts are as disclosed in Note B9.

**A6. Dividends Paid**

There was no dividend paid during the current financial quarter.

**A7. Segment Information**

The Group has five reportable segments as described below:

- a) Power generation (Contracted)
- b) Multi utilities business (Merchant)
- c) Water and sewerage
- d) Mobile broadband network
- e) Investment holding activities

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Segment information for the financial period ended 30 September 2017:

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Mobile broadband network RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>External Revenue</b>	49,786	1,401,080	861,401	196,377	69,752	2,578,396
<b>Inter-segment Revenue</b>	-	-	-	399	16,111	16,510
<b>Segment profit/(loss) before tax</b>	(18,246)	26,392	220,708	(17,621)	1,635	212,868

Segment information for the financial period ended 30 September 2016:

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Mobile broadband network RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>External Revenue</b>	-	1,349,494	762,865	189,075	39,190	2,340,624
<b>Inter-segment Revenue</b>	-	-	-	1,911	18,028	19,939
<b>Segment profit/(loss) before tax</b>	(25,987)	34,968	240,231	(65,314)	4,882	188,780

**A8. Events After the Interim Period**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 30 September 2017, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations.

**A10. Changes in Contingent Liabilities**

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2017.

**A11. Fair value measurement**

The Group measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- a) Level 1 – quoted price (unadjusted) in active market for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the Group’s assets and liabilities that are measured at fair value as at:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30.9.2017</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	119	-	119
- Income funds	-	3,017,074	-	3,017,074
- Equity investments	-	4,105	-	4,105
Available-for-sale	57,180	96	191,350	248,626
Derivatives used for hedging	-	120,292	-	120,292
<b>Total assets</b>	<b>57,180</b>	<b>3,141,686</b>	<b>191,350</b>	<b>3,390,216</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	4,902	-	4,902
Derivatives used for hedging	-	94,077	-	94,077
<b>Total liabilities</b>	<b>-</b>	<b>98,979</b>	<b>-</b>	<b>98,979</b>

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

**B1. Review of the Results**

The comparison of the results is tabulated below:

	<b>Individual Quarter</b>		<b>Variance</b> %	<b>Cumulative Quarter</b>		<b>Variance</b> %
	<b>30.9.2017</b> RM'000	<b>30.9.2016</b> RM'000		<b>30.9.2017</b> RM'000	<b>30.9.2016</b> RM'000	
<b>Revenue</b>						
Power generation (Contracted)	49,786	-	NM	49,786	-	NM
Multi utilities business (Merchant)	1,401,080	1,349,494	+3.8	1,401,080	1,349,494	+3.8
Water & sewerage	861,401	762,865	+12.9	861,401	762,865	+12.9
Mobile broadband network	196,377	189,075	+3.9	196,377	189,075	+3.9
Investment holding activities	69,752	39,190	+78.0	69,752	39,190	+78.0
	<b>2,578,396</b>	<b>2,340,624</b>	<b>+10.2</b>	<b>2,578,396</b>	<b>2,340,624</b>	<b>+10.2</b>
<b>Profit/(Loss) before taxation</b>						
Power generation (Contracted)	(18,246)	(25,987)	+29.8	(18,246)	(25,987)	+29.8
Multi utilities business (Merchant)	26,392	34,968	-24.5	26,392	34,968	-24.5
Water & sewerage	220,708	240,231	-8.1	220,708	240,231	-8.1
Mobile broadband network	(17,621)	(65,314)	+73.0	(17,621)	(65,314)	+73.0
Investment holding activities	1,635	4,882	-66.5	1,635	4,882	-66.5
	<b>212,868</b>	<b>188,780</b>	<b>+12.8</b>	<b>212,868</b>	<b>188,780</b>	<b>+12.8</b>

NM = Not meaningful

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM2,578.4 million for the current financial quarter ended 30 September 2017 as compared to RM2,340.6 million recorded in the preceding year corresponding quarter ended 30 September 2016. The Group profit before taxation for the current financial quarter was RM212.9 million, an increase of RM24.1 million or 12.8% as compared to a profit of RM188.8 million recorded in the preceding year corresponding quarter. The higher profit before taxation was principally attributable to lower operating cost accorded in the Mobile broadband segment and Power generation (Contracted) segment's commencement of its short-term capacity generation on 1 September 2017.

Performance of the respective operating business segments for the quarter ended 30 September 2017 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

Paka Power Plant commenced its short-term capacity generation from 1 September 2017 and this led to a reduced loss before taxation.

Multi utilities business (Merchant)

The lower profit before taxation was mainly due to higher financing costs incurred in current year quarter.

Water & sewerage

The increase in revenue was mainly due to the opening of the retail market for non-household customers and increase in price as allowed by regulator. The lower profit before taxation was mainly due to higher financing costs incurred.

Mobile broadband network

This segment recorded an increase in revenue and lower operating cost following the launch of the nationwide 4G LTE services in the preceding year.

Investment holding activities

The increase in revenue was mainly contributed by higher interest income. The lower profit before taxation was mainly due to higher financing costs which was partially offset by increase in share of results of the associate companies.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.9.2017 RM'000</b>	<b>Preceding Quarter 30.6.2017 RM'000</b>	<b>Variance % +/-</b>
Revenue	2,578,396	2,586,093	-0.3
Consolidated profit before taxation	212,868	247,922	-14.1
Consolidated profit after taxation	155,131	256,715	-39.6

The lower Group profit before taxation was mainly due to higher financing costs. The significant lower Group profit after taxation was mainly attributable to the adjustments made in the preceding quarter on the deferred tax credit and overprovision of corporation tax in the Power generation (Contracted) segment as well as deferred tax credit arising from reduction in UK corporation rate of 18% to 17%, effective from 1 April 2020 in the Water & sewerage segment.

**B3. Prospects**

Power generation (Contracted)

The Group has an 80% equity interest in PT Tanjung Jati Power Company (“TJPC”), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement with PT PLN (Persero), Indonesia’s state-owned electric utility company, amended and restated in December 2015. The project is currently in the development stage and progress is underway towards achieving financial close.

The Group also has a 45% equity interest in Attarat Power Company (“APCO”), which is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company (“NEPCO”), Jordan’s state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project’s second unit). Construction has commenced on the project, with operations scheduled to commence in mid-2020.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

## **YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

#### **Notes – continued**

YTL Power Generation Sdn. Bhd. (“YTLPG”) has commenced its operation on 1 September 2017 for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months, which will be expiring on 30 June 2021. YTLPG is expected to perform satisfactorily as it operates under a regulatory regime.

#### Multi utilities business (Merchant)

The electricity market in Singapore will remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service, diversification beyond the core business into integrated multi-utilities supply and non-regulated ancillary businesses in steam sales, oil storage tank leasing, bunkering services and potable water sales.

#### Water & sewerage

Wessex Water which operates under a strict regulatory regime is confident of delivering its 2015-20 regulatory outperformance target by improving its business processes and will continue to provide customers with first-class affordable service.

#### Mobile broadband network

This business segment will continuously be coming up with more competitive products to increase the subscriber base to generate higher revenue, supported by the launch of its nationwide 4G LTE and Voice-over-LTE (VoLTE) services in the preceding year. In its drive to champion the use of Internet technology to empower Malaysian students and equip them with a culture of lifelong learning and technology know-how to succeed in the global knowledge economy, the Group continued to make good progress in its implementation of the 1BestariNet project, a project undertaken for the Government of Malaysia that aims to leverage information technology to scale up the quality of learning across the country. A key feature of the project is the provision of the Frog VLE (Virtual Learning Environment) to more than 10,000 state schools, a learning platform that allows schools to simplify and enhance teaching and learning, communication and administration. Plans are also underway to roll out the LTE version of the Yes Zoom gateway device as well as to expand the Yes platform into Sarawak in the near future.

#### **B4. Variance of Actual Profit from Financial Estimate, Forecast, Projection or Profit Guarantee**

The Group did not issue any financial estimate, forecast, projection or profit guarantee during the current financial year to date.

#### **B5. Audit Report of the preceding financial year ended 30 June 2017**

The Auditors’ Report on the financial statements of the financial year ended 30 June 2017 did not contain any qualification.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B6. Profit for the period**

	<b>Current Quarter 30.9.2017 RM'000</b>	<b>Current Year To Date 30.9.2017 RM'000</b>
<b>Profit before taxation is stated after charging/(crediting):</b>		
Allowance for impairment of inventories	261	261
Allowance for impairment of receivables (net of reversal)	21,885	21,885
Amortisation of deferred income	(2,210)	(2,210)
Amortisation of grants and contributions	(4,559)	(4,559)
Amortisation of intangible assets	15,298	15,298
Depreciation of property, plant and equipment	268,000	268,000
Interest income	(2,515)	(2,515)
Interest expense	281,006	281,006
Loss on foreign exchange	3,965	3,965
Net gain on disposal of property, plant and equipment	(1,532)	(1,532)
Provision for liabilities and charges	559	559
	=====	=====

There was no exceptional items charged/(credited) for the period.

**B7. Taxation**

	<b>Current Quarter 30.9.2017 RM'000</b>	<b>Current Year To Date 30.9.2017 RM'000</b>
In respect of current period		
- Income Tax	51,384	51,384
- Deferred Tax	6,353	6,353
	-----	-----
	57,737	57,737
	=====	=====

The higher effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter was mainly due to income subjected to different tax jurisdictions partially offset by non-deductibility of certain expenses for tax purposes.

**B8. Corporate Proposals**

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at 30 September 2017 are as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Current</b>			
Bank overdrafts	-	2,285	2,285
Committed bank loans	-	46,768	46,768
Finance lease	72,857	31,524	104,381
Revolving credit	-	170,985	170,985
	<u>72,857</u>	<u>251,562</u>	<u>324,419</u>
<b>Non-current</b>			
Bonds	-	16,274,885	16,274,885
Finance lease	33,505	9,222	42,727
Term loans	-	11,279,860	11,279,860
	<u>33,505</u>	<u>27,563,967</u>	<u>27,597,472</u>
<b>Total borrowings</b>	<b><u>106,362</u></b>	<b><u>27,815,529</u></b>	<b><u>27,921,891</u></b>

The borrowings which are denominated in foreign currency are as follows:

	<b>Foreign currency '000</b>	<b>RM Equivalents '000</b>
US Dollar	<u>646,267</u>	<u>2,732,094</u>
Sterling Pound	<u>2,050,173</u>	<u>11,627,761</u>
Singapore Dollar	<u>1,990,057</u>	<u>6,194,052</u>

All borrowings of subsidiaries are on a non-recourse basis to the Company.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**INTERIM FINANCIAL REPORT**

Notes – continued

**B10. Derivative Financial Instruments, Fair Value Changes of Financial Liabilities and Realised and Unrealised Profits or Losses**

(a) Derivative Financial Instruments

As at 30 September 2017, the Group's outstanding derivatives are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil Swaps</u></b>		
- Less than 1 year	997,206	1,012,153
- 1 year to 3 years	229,740	248,117
- More than 3 years	-	-
<b><u>Currency forwards</u></b>		
- Less than 1 year	1,022,898	1,018,669
- 1 year to 3 years	327,336	319,673
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**INTERIM FINANCIAL REPORT**

**Notes – continued**

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 30 September 2017 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 30.9.2017 RM'000	Current year to date 30.9.2017 RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group	976	976
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	7,294	7,294
Total			8,270	8,270

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

(c) Realised and Unrealised Profits or Losses

	<b>As at 30.9.2017 RM'000</b>	<b>Audited As at 30.6.2017 RM'000</b>
Retained earnings/(Accumulated losses) of the Group		
- Realised	6,737,131	6,605,037
- Unrealised	(220,930)	(215,709)
	-----	-----
	6,516,201	6,389,328
	-----	-----
Retained earnings/(Accumulated losses) from investments accounted for using the equity method		
- Realised	967,762	909,473
- Unrealised	43,558	56,747
	-----	-----
	1,011,320	966,220
	-----	-----
Add: Consolidation adjustments	421,197	460,600
	-----	-----
Total Group retained earnings	7,948,718	7,816,148
	=====	=====

**B11. Material Litigation**

There were no changes to the material litigations since the date of the last audited financial statements of financial position.

In 2015, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The customers have filed their defence and counterclaims, and the matter is now awaiting trial.

Based on legal advice sought by the board, the subsidiary has strong prospects of succeeding in its claim and the customers are highly unlikely to succeed in their counterclaims. Thus, no provision has been made for potential losses that may arise from the counterclaims.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B12. Dividend**

No dividend has been declared for the current financial quarter.

**B13. Earnings Per Share**

**i) Basic Earnings Per Share**

The basic earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

	<b>Current Year Quarter 30.9.2017</b>	<b>Preceding Year Corresponding Quarter 30.9.2016</b>
Profit attributable to Owners of the Parent (RM'000)	132,448	146,548
Weighted average number of ordinary shares ('000)	7,758,891	7,719,135
Basic earnings per share (Sen)	1.71	1.90

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**ii) Diluted Earnings Per Share**

The diluted earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

	<b>Current Year Quarter 30.9.2017</b>	<b>Preceding Year Corresponding Quarter 30.9.2016</b>
Profit attributable to Owners of the Parent (RM'000)	132,448 =====	146,548 =====
<i>Weighted average number of ordinary shares – diluted ('000)</i>		
Weighted average number of ordinary shares – basic	7,758,891	7,719,135
Effect of unexercised Warrants 2008/2018	21,978	34,562
Effect of unexercised ESOS	-	4,893
	----- 7,780,869 =====	----- 7,758,590 =====
Diluted earnings per share (Sen)	1.70 =====	1.89 =====

\* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS is RM305.4 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM305.4 million resulting in a decrease in NA per share of RM0.01. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

**By Order of the Board**  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 22 November 2017