

**RANHILL HOLDINGS BERHAD (Company No : 1091059-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER**  
**ENDED 30 JUNE 2017**



**Ranhill**

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup>**

	Individual Quarter		Cummulative Period	
	Current year quarter 30/06/2017 RM'000	Preceding year quarter 30/06/2016 RM'000	Current year to date 30/06/2017 RM'000	Preceding year to date 30/06/2016 RM'000
Revenue	367,983	357,043	719,933	701,794
Cost of sales	(242,266)	(251,884)	(490,408)	(493,135)
<b>Gross profit</b>	<b>125,717</b>	<b>105,159</b>	<b>229,525</b>	<b>208,659</b>
<b>Other items of income</b>				
Interest income	16,431	20,619	30,689	36,606
Other income	1,872	23,904 *	5,747	26,044 *
<b>Other items of expense</b>				
Admin/Operating expenses	(67,576) **	(55,799)	(120,447)	(99,608)
Finance costs	(25,636)	(29,619)	(52,353)	(77,249) ***
Zakat	(779)	(714)	(1,479)	(3,205)
Share of results of a joint venture	-	1,173	-	1,309
Share of results of associates	1,690	-	3,165	-
<b>Profit/(loss) before tax</b>	<b>51,719</b>	<b>64,723</b>	<b>94,847</b>	<b>92,556</b>
Income tax expense	B5 (22,670)	(13,517)	(39,268)	(29,231)
<b>Profit/(loss) net of tax</b>	<b>29,049</b>	<b>51,206</b>	<b>55,579</b>	<b>63,325</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	(5,306)	(5,192)	(3,698)	(16,914)
Share of other comprehensive loss of an associates	2,763	-	2,745	-
<b>Total comprehensive income/(loss) for the year/period</b>	<b>26,506</b>	<b>46,014</b>	<b>54,626</b>	<b>46,411</b>
<b>Profit/(loss) net of tax attributable to:</b>				
Owners of the parent	14,514	37,767	30,208	44,673
Non-controlling interests	14,535	13,439	25,371	18,652
	<b>29,049</b>	<b>51,206</b>	<b>55,579</b>	<b>63,325</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	11,970	32,575	29,254	27,759
Non-controlling interests	14,536	13,439	25,372	18,652
	<b>26,506</b>	<b>46,014</b>	<b>54,626</b>	<b>46,411</b>
<b>Earnings per share (sen):</b>				
Basic	B12 1.63	4.25	3.40	5.91
Diluted	N/A	N/A	N/A	N/A
<b>EBITDA (includes amortisation of services concession assets)</b>	<b>147,789</b>	<b>161,053</b>	<b>290,107</b>	<b>307,758</b>

\* Other income for quarter and year to date 2016 have included the recognition of RM20.1 million negative goodwill upon acquisition the remaining shares in RWTC on 20 May 2016.

\*\* Administrative expenses for includes rightsizing, relocation and related cost (Qtr:RM6.1 million, Ytd: RM8.7 million)

\*\*\* Finance cost year to date 2016 has included RM13.343 million one-off premium on Islamic Medium Term Notes redemption.

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**Ranhill**

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup> (continued)**

**Notes :**

- (1) The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

**RANHILL HOLDINGS BERHAD (Company No : 1091059-K)**  
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**Ranhill**  
**Audited**

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**

	<b>Unaudited As at 30/06/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	560,465	575,250
Service concession assets	150,020	300,039
Intangibles	295,133	295,193
Operating financial asset	63,195	64,258
Finance lease receivables	530,881	552,580
Deferred tax assets	190,650	215,787
Investment in an associate	169,334	169,840
Investment in a joint venture	5	5
Trade and other receivables	70,408	72,188
	<u>2,030,091</u>	<u>2,245,140</u>
<b>Current assets</b>		
Finance lease receivables	42,601	41,038
Operating financial asset	7,324	7,253
Trade and other receivables	357,182	331,453
Inventories	81,147	75,562
Tax recoverable	4,075	3,479
Other current assets	32,301	28,229
Other financial assets	19,762	14,175
Deposits, cash and bank balances	342,917	460,269
	<u>887,309</u>	<u>961,458</u>
<b>Total assets</b>	<u>2,917,400</u>	<u>3,206,598</u>
<b>Current liabilities</b>		
Retirement benefit obligations	8,554	7,065
Finance lease payables	1,494	1,632
Short term borrowings	97,456	94,450
Zakat	10,100	8,699
Trade and other payables	363,937	416,966
Other current liability	10,001	5,229
Service concession obligations	167,421	333,401
Tax payable	232	983
	<u>659,195</u>	<u>868,425</u>
<b>Net current assets</b>	<u>228,114</u>	<u>93,033</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	85,218	85,808
Finance lease payables	2,240	2,478
Long term borrowings	1,054,612	1,155,943
Trade and other payables	52,278	86,523
Service concession obligations	-	-
Consumer deposits	234,504	180,354
Deferred tax liabilities	69,763	65,017
	<u>1,498,615</u>	<u>1,576,123</u>
<b>Total liabilities</b>	<u>2,157,810</u>	<u>2,444,548</u>

**RANHILL HOLDINGS BERHAD (Company No : 1091059-K)  
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 ENDED 30 JUNE 2017**



**Ranhill**  
 Audited  
 As at  
 31/12/2016  
 RM'000

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup> (continued)**

	<b>Unaudited As at 30/06/2017 RM'000</b>	<b>Audited As at 31/12/2016 RM'000</b>
<b>Net assets</b>	<u>759,590</u>	<u>762,050</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	888,316	888,316
Share premium	387,003	387,003
Other reserves	(882,251)	(881,298)
Retained earnings	<u>179,458</u>	<u>184,783</u>
	572,526	578,804
Non controlling interest	<u>187,064</u>	<u>183,246</u>
<b>Total equity</b>	<u>759,590</u>	<u>762,050</u>
<b>Total equity and liabilities</b>	<u>2,917,400</u>	<u>3,206,598</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u>0.64</u>	<u>0.65</u>

**Notes:**

- (1) The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (1)**

	Share capital RM'000	Share premium RM'000	Currency translation reserves RM'000	Equity component of convertible unsecured loan stock RM'000	Merger reserve/ (deficit) RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000
At 1 January 2017	888,316	387,003	23,654	1,063	(906,015)	184,783	578,804	183,246
Total comprehensive income	-	-	(953)	-	-	30,208	29,255	25,372
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(84)
-Effect on disposal of a subsidiary	-	-	-	-	-	-	-	(870)
-Dividends on ordinary shares	-	-	-	-	-	(35,533)	(35,533)	(20,600)
At 30 June 2017	888,316	387,003	22,701	1,063	(906,015)	179,458	572,526	187,064
At 1 January 2016	565,995	339,597	25,809	1,063	(906,015)	146,419	172,868	211,416
Total comprehensive income	-	-	(16,914)	-	-	44,673	27,759	18,652
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(77)
-New public issuance of shares	322,321	64,464	-	-	-	-	386,785	-
-Share issuance expenses	-	(19,330)	-	-	-	-	(19,330)	-
-Dividends on ordinary shares	-	-	-	-	-	-	-	(55,376)
At 30 June 2016	888,316	384,731	8,895	1,063	(906,015)	191,092	568,082	174,615

**Notes:**

(1) The Unaudited Condensed Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>6 months ended 30/06/2017 RM'000</b>	<b>6 months ended 30/06/2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	94,847	92,556
Adjustments for:		
Depreciation of property, plant and equipment	23,516	24,502
Net (gain)/loss on disposal of property, plant and equipment	(140)	(22)
Property, plant and equipment written off	8	12
Amortisation of service concession asset	150,020	150,016
Amortisation of concession rights	31	24
Amortisation of software	29	17
Negative goodwill arising from acquisition of RWTC	-	(20,119)
Gain on disposal of a subsidiary	(144)	-
Share of profit of a joint venture	-	(1,309)
Share of profit of an associates	(3,165)	-
Allowance/(Write back allowance) for slow-moving inventories	(48)	-
Provision retirement benefit plan	4,383	4,426
Zakat	1,479	3,205
Unrealised foreign exchange (gain)/loss	2,075	2,816
Allowance for impairments	-	521
Provision for liquidated ascertained damages	-	1,637
Interest income	(30,689)	(36,606)
Interest expense	52,353	77,249
Operating profit before working capital changes	<u>294,555</u>	<u>298,925</u>
Receivable	(24,483)	101,504
Payables	(27,487)	(150,302)
Inventories	(5,701)	(562)
Finance lease receivables	42,084	42,084
Operating financial asset	1,652	3,567
Other current asset	(4,247)	(7,131)
Cash generated from operations	<u>276,373</u>	<u>288,085</u>
Retirement benefits plan paid	(3,484)	(3,803)
Zakat paid	(79)	(4,847)
Tax paid	(10,985)	(6,130)
Lease rental payable to PAAB	(165,980)	(139,355)
Net cash generated from operating activities	<u>95,845</u>	<u>133,950</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,411)	(2,198)
Proceeds from disposal of property, plant and equipment	143	55
Disposal of short term investments	(5,587)	(3,124)
Net cash inflow on disposal of a subsidiary	485	-
Net cash outflow on acquisition of remaining share of RWTC	-	(115,112)
Dividend received	-	1,151
Interest received	8,741	10,295
Net cash (used in)/generated from investing activities	<u>(4,629)</u>	<u>(108,933)</u>



**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) <sup>(1)</sup>**

	<b>6 months ended 30/06/2017 RM'000</b>	<b>6 months ended 30/06/2016 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (placement)/withdrawal of fixed deposits with banking facilities	(35,717)	37,136
Drawdown of term loans	891	225
Finance lease principal repayments	(882)	(653)
Proceeds from issuance of shares	-	386,785
Share issuance expenses	-	(12,472)
Repayment of borrowings	(94,031)	(313,372)
Dividends paid	(56,133)	(55,376)
Interest paid	(56,636)	(85,394)
Net cash used in financing activities	<u>(242,508)</u>	<u>(43,121)</u>
Net increase in cash and cash equivalents	(151,292)	(18,104)
Effect of exchange rate changes on cash and cash equivalents	(1,100)	(3,281)
Cash and cash equivalents at beginning of year	<u>285,086</u>	<u>305,545</u>
Cash and cash equivalents at end of year	<u>132,694</u>	<u>284,160</u>

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

Cash at banks and on hand	17,502	100,292
Short term deposits with licensed bank	<u>325,415</u>	<u>399,225</u>
Total deposits, cash and bank balances	342,917	499,517
Bank overdrafts	(2,821)	(4,146)
Restricted deposits, cash and bank balances	<u>(207,402)</u>	<u>(211,211)</u>
Cash and cash equivalents	<u>132,694</u>	<u>284,160</u>

**Notes:**

(1) The Unaudited Condensed Statements of Cash Flows should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

**SECTION A: NOTES TO THE QUARTERLY RESULTS**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard Board ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standard Board ("IASB") and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities ("Bursa Securities").

These interim financial statements should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("the Group") since the financial year ended 31 December 2016.

**A2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 December 2016.

**Adoption of New and Revised Financial Reporting Standards ("FRSs")**

On 1 January 2017, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2017.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 107 Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
MFRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017

The adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group and the Company.



**A2. Changes in Accounting Policies (continued)**

**Standards and Amendments in Issue but Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application except as discussed below:

**MFRS 9, Financial Instruments**

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**MFRS 15, Revenue from Contract with Customers**

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

**A2. Changes in Accounting Policies (continued)**

**Standards and Amendments in Issue but Not Yet Effective (continued)**

**MFRS 16, Leases**

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The Directors anticipate that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the Group financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group performs a detailed review.

**A3. Audit Report**

There was no audit qualification reported in the Auditors' Report on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2016.

**A4. Seasonality of Cyclicity of Operations**

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

**A5. Unusual Significant Items**

There were no significant items affecting assets, liabilities, equity, net income, or cash flows that unusual in nature, size or incidence for the current quarter and current financial year-to-date except for non-recurring rationalisation and relocation expenses of our power (Q1) and head-quarters (Q2) staff to Kota Kinabalu, Sabah and Johor Bahru of approximately RM2.6 million and RM6.1 million respectively.

**A6. Material Changes in Estimates**

There were no major changes in estimates that have a material effect in the current quarter and current financial year-to-date.

**A7. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and current financial year-to-date except for those disclosed in Note B7.

**A8. Dividend Paid**

During the financial period ended 30 June 2017, the following payments of dividend were made in respect of the financial year ended 31 December 2016:

- (a) RM17,766,315 was declared and paid on 28 February 2017 and 29 March 2017 respectively as third interim single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.
- (b) RM17,766,315 was declared and paid on 23 May 2017 and 16 June 2017 respectively as final single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.

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**A9. Segmental Information**

Segmental results are summarized as follows with a reportable proforma segment profit, segment asset and segment liabilities after apportioning the Sukuk related assets, liabilities and cost to the environment and power segments, to reflect a more meaningful contributions from the segments by apportioning the cost of acquiring the environment and power segments to the respective segment.

For the financial period ended 30 June 2017:

	Environment RM'000	Power RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>					
<b>Revenue</b>					
Sales to external customers	574,774	145,159	-	-	719,933
Inter-segment elimination	-	-	184,821	(184,821)	-
	<u>574,774</u>	<u>145,159</u>	<u>184,821</u>	<u>(184,821)</u>	<u>719,933</u>
<b>Results</b>					
Segment profit/(loss)	<u>84,226</u>	<u>28,769</u>	<u>(57,416)</u>		<u>55,579</u>
Segment assets	<u>1,439,099</u>	<u>1,309,112</u>	<u>169,189</u>		<u>2,917,400</u>
Segment liabilities	<u>893,600</u>	<u>687,712</u>	<u>576,498</u>		<u>2,157,810</u>
<b>Proforma scenario</b>					
<b>Results</b>					
Segment profit/(loss)	84,226	28,769	(57,416)		55,579
Add/(less):					
Sukuk interest	<u>(23,310)</u>	<u>(3,136)</u>	<u>23,446</u>		-
<b>Adjusted segment profit/(loss)</b>	<u><b>63,916</b></u>	<u><b>25,633</b></u>	<u><b>(33,970)</b></u>		<u><b>55,579</b></u>
Segment assets	1,439,099	1,309,112	169,189		2,917,400
Add/(less):					
Bank balances related to Sukuk	<u>116,358</u>	<u>17,965</u>	<u>(134,323)</u>		-
<b>Adjusted segment assets</b>	<u><b>1,555,457</b></u>	<u><b>1,327,077</b></u>	<u><b>34,866</b></u>		<u><b>2,917,400</b></u>
Segment liabilities	893,600	687,712	576,498		2,157,810
Add/(less):					
Sukuk loan	<u>461,837</u>	<u>71,304</u>	<u>(533,141)</u>		-
<b>Adjusted segment liabilities</b>	<u><b>1,355,437</b></u>	<u><b>759,016</b></u>	<u><b>43,357</b></u>		<u><b>2,157,810</b></u>

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**A9. Segmental Information (continued)**

For the financial period ended 30 June 2016:

	Environment RM'000	Power RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>					
<b>Revenue</b>					
Sales to external customers	552,151	149,585	58	-	701,794
Inter-segment elimination	-	-	130,662	(130,662)	-
	<u>552,151</u>	<u>149,585</u>	<u>130,720</u>	<u>(130,662)</u>	<u>701,794</u>
<b>Results</b>					
Segment profit/(loss)	<u>89,279</u>	<u>13,775</u>	<u>(39,729)</u>		<u>63,325</u>
Segment assets	<u>2,136,053</u>	<u>1,386,595</u>	<u>164,167</u>		<u>3,686,815</u>
Segment liabilities	<u>1,488,883</u>	<u>739,926</u>	<u>715,309</u>		<u>2,944,118</u>
<b>Proforma scenario</b>					
<b>Results</b>					
Segment profit/(loss)	89,279	13,775	(39,729)		63,325
Add/(less):					
Sukuk interest	<u>(23,329)</u>	<u>(3,602)</u>	<u>26,931</u>		<u>-</u>
<b>Adjusted segment profit/(loss)</b>	<b><u>65,950</u></b>	<b><u>10,173</u></b>	<b><u>(12,798)</u></b>		<b><u>63,325</u></b>
Segment assets	2,136,053	1,386,595	164,167		3,686,815
Add/(less):					
Bank balances related to Sukuk	<u>115,245</u>	<u>17,793</u>	<u>(133,038)</u>		<u>-</u>
<b>Adjusted segment assets</b>	<b><u>2,251,298</u></b>	<b><u>1,404,388</u></b>	<b><u>31,129</u></b>		<b><u>3,686,815</u></b>
Segment liabilities	1,488,883	739,926	715,309		2,944,118
Add/(less):					
Sukuk loan	<u>606,233</u>	<u>93,598</u>	<u>(699,831)</u>		<u>-</u>
<b>Adjusted segment liabilities</b>	<b><u>2,095,116</u></b>	<b><u>833,524</u></b>	<b><u>15,478</u></b>		<b><u>2,944,118</u></b>

**A9. Segmental Information (continued)**

Environment segment

1. Revenue generated of RM574.8 million (2016: RM552.2 million) was an increase of RM22.6 million compared to its preceding year mainly due to increase in volume of water consumption coupled with increase in customer base arising from new developments of housing.
2. Profit after taxation of RM84.2 million (2016: RM89.3 million) was a decrease of RM5.1 million compared to its preceding year substantially due to the negative goodwill arising from acquisition of remaining share in RWTC in prior year.

Power segment

1. Revenue generated of RM145.1 million (2016: 149.6 million) was a decrease of RM4.3 million compared to its preceding year mainly due to lower output of electricity sold to SESB as the plant had a planned outage during Jabatan Kesihatan, Keselamatan Pekerjaan's inspection (in maintaining the Heat Recovery Steam Generator) during the year.
2. Profit after taxation of RM28.8 million (2016: RM13.8 million) was an increase of RM15.0 million compared to its preceding year substantially due to the one-off recognition of premium redemption of Islamic Medium Term Note of RM13.3 million in preceding year.

**A10. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter and current financial year-to-date except as follows:

- (a) On 6 April 2017, the Company has entered into agreement via its wholly-owned subsidiary, Ranhill Capital Sdn Bhd ("RCSB") to acquire 26% equity in SM Hydro Energy Sdn Bhd ("SMHESB") and completed the acquisition of 100% in July 2017 to facilitate participation in a new power project.
- (b) On 13 June 2017, the Company via its wholly owned subsidiary Ranhill Water Services ("RWS") has disposed 60% of its interest in Premier Water Services Sdn. Bhd. ("PWS") in 3 equal milestones to its minority, Ultimate Season Sdn. Bhd. With the 1<sup>st</sup> milestone being achieved on 21<sup>st</sup> June 2017, PWS cease to be a subsidiary of the group. The 2<sup>nd</sup> and 3<sup>rd</sup> milestones is on or before 21th September 2017 and 21 December respectively.

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**A11. Contingent Liabilities**

On 20 March 2017, a wholly owned subsidiary of the Company, Ranhill Water Technologies Sdn Bhd (“RWTSB”) received a legal notice from WRP Asia Pacific Sdn Bhd (“WRP”), demanding RWTSB to commence and complete the design and construction of a water treatment plant, intake plant and pipeline (“Project”) in accordance with the purchase order agreed between the two parties failing which, WRP will proceed to terminate the Project and claim for damages which include additional costs to complete the Project, operational loss, wasted expenditure, loss of profits and other consequential loss.

RWTSB has disputed the claim from WRP stating that the commencement of the Project is subject to the approval by the relevant authority which has not been secured by WRP. Accordingly, RWT has no obligation and responsibility to commence the Project.

The Company has been advised by its legal counsel that the Company has complete defence as the claim by WRP is without merit. Accordingly, no provision for any liability has been made in the financial statements.

As at to date, there are no material developments in the claim from WRP.

**A12. Capital Commitments**

The Group has the following capital commitments in respect of:

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for	259	1,403
Approved but not contracted for	<u>5,779</u>	<u>2,217</u>
	<u><u>6,038</u></u>	<u><u>3,620</u></u>

**A13. Significant Events Subsequent to the Balance Sheet Date**

There was no material events subsequent to the current quarter ended 30 June 2017 except as follows:

- (a) On 5<sup>th</sup> July 2017, the balances of the 74 units of shares in SMHESB have been transferred to the Company's wholly owned subsidiary, RCSB and accordingly, SMHESB has become a wholly-owned subsidiary of the Company effective 5 July 2017.

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**SECTION B: BURSA SECURITIES LISTING REQUIREMENT (PART A OF APPENDIX 9B)**

**B1. Detailed Analysis of Performance of All Operating Segments**

**Performance for the quarter and year-to-date**

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current year quarter 30.06.2017 RM'000	Preceding year quarter 30.06.2016 RM'000		Current year to date 30.06.2017 RM'000	Preceding year to date 30.06.2016 RM'000	
Revenue	367,983	357,043	3%	719,933	701,794	3%
Operating profit	60,013	73,264	-18%	114,825	135,095	-15%
Profit Before Interest and Tax	60,924	73,723	-17%	116,511	133,199	-13%
Profit Before Tax	51,719	64,723	-20%	94,847	92,556	2%
Profit After Tax	29,049	51,206	-43%	55,579	63,325	-12%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	14,514	37,767	-62%	30,208	44,637	-32%

During the quarter ended 30 June 2017, the Group recorded a revenue of RM368.0 million (Q2 2016: RM357.0 million) and profit or loss before tax of RM51.7 million (Q2 2016: RM64.7 million). The revenue and profit before taxation for the year to date amount to RM719.9 million (2016: RM701.8 million) and RM94.8 million (2016: RM92.6 million) respectively.

The increase in group revenue were mainly contributed by the increase revenue in environment segment due to increase in volume of water consumption coupled with an increase in customer base arising from new housing and industrial developments.

The decrease in profit attributable to ordinary equity holder of the parent for the quarter, mainly due to the recognition of rationalisation and relocation cost RM6.1 million for the current quarter, while a one-off recognition of negative goodwill of RM20.1 million recognised in Q2 2016 makes up the other variances.



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**B2. Comparison of Results for Current Quarter Ended 30 June 2017 Compared to the Immediate Preceding Quarter**

	Individual Quarter		Changes %
	Current year quarter 30.06.2017 RM'000	Immediate preceding quarter 31.3.2017 RM'000	
Revenue	367,983	351,950	5%
Operating Profit	60,013	54,812	9%
Profit Before Interest and Tax	60,924	55,587	10%
Profit Before Tax	51,719	43,128	20%
Profit After Tax	29,049	26,530	9%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	14,514	15,694	-8%

The Group recorded revenue of RM368.0 million in the current quarter compared to its immediate preceding quarter's revenue of RM352.0 million, an increase of RM16.0 million or 4.6%. The profit before taxation for the current quarter increased by RM8.6 million to RM51.7 million compared to RM43.1 million in the immediate preceding quarter.

The increase in group revenue were mainly contributed by the increase revenue in environment segment due to increase in volume of water consumption coupled with an increase in customer base arising from new housing and industrial developments.

There is a slight decrease in profit attributable to ordinary equity holder of the parent compared to its immediate preceding quarter as the company has incurred RM6.1 million rightsizing, relocation and related cost in the current quarter.

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**B3. Prospects**

We foresee gradual growth in electricity demand from the Company's current 2 X 190MW plants. The Company and its strategic partner are in the final phase of negotiation with regards to the 300MW Combined Cycle Power Plant in Sandakan, which will contribute additional revenue and profit to the group. The power sector has also commenced advanced negotiation for opportunities in Thailand, Myanmar and Australia.

Growth in the local environment segment is expected to be supported by the increasing demand in water for the state of Johor, especially with the development of new housing and industrial areas. The signing of MOU between SAJR and Indah Water Konsortium ("IWK") to undertake the joint billing of water supply and sewerage services in Johor and the potential integration of water supply and sewerage services is expected to contribute additional revenue and profit to the Group. Our non-revenue water ("NRW") division spearheaded by Ranhill Water Services ("RWS") has secured Johor Phase 5 NRW jobs in Johor which targeted to improve Johor's NRW to approximately 22% by December 2020. RWS also actively involved in negotiations of NRW works in other states in Malaysia.

As for the International Environment sector, our strong partnership with SIIC has resulted in reducing the project loans' interest with an average interest saving of approximate 1%. The joint venture is now properly poised to commence exploring new opportunities for industrial waste water concession contracts and other potential water related works in China and other South East Asia countries under the One Belt One Road initiative.

**B4. Profit Forecast**

Not applicable.

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**B5. Taxation**

The taxation for the Company for the financial period under review is as follows:

	Individual Quarter		Cumulative Period	
	Current year quarter 30.6.2017 RM'000	Preceding year quarter 30.6.2016 RM'000	Current year to date 30.6.2017 RM'000	Preceding year to date 30.6.2016 RM'000
<b>Malaysia taxation:</b>				
Current taxation	4,379	2,972	9,404	10, 237
(Over)/under provision prior years	-	(415)	-	(415)
<b>Foreign taxation:</b>				
Current taxation	58	46	97	46
Deferred taxation	79	(642)	154	(642)
<b>Deferred taxation</b>				
Current taxation	18,154	11,372	29,613	19,269
Under/(Over) provision in prior years	-	184	-	736
	<u>22,670</u>	<u>13,517</u>	<u>39,268</u>	<u>29,231</u>

The Company's effective tax rate (excluding the results of associates and joint venture which are equity accounted net of tax) for the quarter and current year to date were higher than the statutory tax rate substantially due to the non-allowable tax expenses of Sukuk interest.

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**B6. Profit/(Loss) Before Taxation**

The following items have been included in arriving at profit before taxation:

	Individual Quarter		Cumulative Period	
	Current year quarter 30.6.2017 RM'000	Preceding year quarter 30.6.2016 RM'000	Current year to date 30.6.2017 RM'000	Preceding year to date 30.6.2016 RM'000
Amortisation of service concession assets	75,010	75,008	150,020	150,016
Amortisation of software	12	10	29	17
Amortisation of concession rights	16	24	31	24
Depreciation of property, plant and equipment	11,827	12,228	23,516	24,502
Listing expenses	-	431	-	1,239
IMTN premium redemption	-	-	-	13,343
Negative goodwill arising from acquisition of RWTC	-	20,119	-	20,119
Unrealised foreign exchange (gain)/loss	1,530	2,842	2,075	2,816
Realised foreign exchange loss(gain)	(93)	89	(863)	89
Provision for liquidated ascertained damages	-	1,637	-	1,637
Property, plant and equipment written off	2	10	8	12
Allowance for impairments	-	-	-	521
Loss/(Gain) on disposal of property, plant and equipment	(138)	-	(140)	-
Rationalisation and relocation costs	6,092	-	8,701	-

**B7. Status of Corporate Proposal Announced**

There are no corporate proposals announced but not completed at the date of this report.

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**B8. Group Borrowings**

Particular of the Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	As at period ended 30 June 2017					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
<b>Secured</b>						
- Bank Overdraft	328	602	-	-	328	602
- Term loan	3,136	-	9,530	-	12,666	-
- Musharakah Medium Term Notes ("mMTN")	-	28,885	-	562,566	-	591,451
- SUKUK	-	61,788	-	471,353	-	533,141
<b>Sub total</b>	<b>3,464</b>	<b>91,275</b>	<b>9,530</b>	<b>1,033,919</b>	<b>12,994</b>	<b>1,125,194</b>
<b>Unsecured</b>						
- Bank Overdraft	-	1,892	-	-	-	1,892
- Term loan	196	-	-	-	196	-
- Banker acceptance	-	629	-	-	-	629
- Convertible unsecured loan stocks ("CULS")	-	-	-	11,163	-	11,163
<b>Sub total</b>	<b>196</b>	<b>2,521</b>	<b>-</b>	<b>11,163</b>	<b>196</b>	<b>13,684</b>
<b>Grand Total</b>	<b>3,660</b>	<b>93,796</b>	<b>9,530</b>	<b>1,045,082</b>	<b>13,190</b>	<b>1,138,878</b>
						<b>1,152,068</b>

	As at year ended 31 December 2016					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
<b>Secured</b>						
- Bank Overdraft	516	-	-	-	516	-
- Term loan	3,073	-	11,354	-	14,427	-
- Musharakah Medium Term Notes ("mMTN")	-	28,885	-	593,975	-	622,860
- SUKUK	-	56,939	-	539,535	-	596,474
<b>Sub total</b>	<b>3,589</b>	<b>85,824</b>	<b>11,354</b>	<b>1,133,510</b>	<b>14,943</b>	<b>1,219,334</b>
<b>Unsecured</b>						
- Bank Overdraft	-	2,982	-	-	-	2,982
- Term loan	378	-	-	-	378	-
- Banker acceptance	-	1,677	-	-	-	1,677
- Convertible unsecured loan stocks ("CULS")	-	-	-	11,079	-	11,079
<b>Sub total</b>	<b>378</b>	<b>4,659</b>	<b>-</b>	<b>11,079</b>	<b>378</b>	<b>15,738</b>
<b>Grand Total</b>	<b>3,967</b>	<b>90,483</b>	<b>11,354</b>	<b>1,144,589</b>	<b>15,321</b>	<b>1,235,072</b>
						<b>1,250,393</b>

**B9. Changes in Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

**B10. Realised and Unrealised Profits**

The following analysis is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	<b>As at 30.6.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	290,063	271,075
- Unrealised <sup>N1</sup>	106,850	130,370
	<u>396,913</u>	<u>401,445</u>
Total share of retained profits/(accumulated losses) of joint venture		
- Realised	-	6,843
- Unrealised <sup>N1</sup>	-	(92)
	<u>-</u>	<u>6,751</u>
Total share of retained profits/(accumulated losses) of the associates		
- Realised	10,601	9
- Unrealised <sup>N1</sup>	(1,060)	(384)
	<u>9,541</u>	<u>(375)</u>
	<u>406,454</u>	<u>407,821</u>
Less: consolidation adjustments <sup>N2</sup>	<u>(226,996)</u>	<u>(223,038)</u>
Total group retained profits as per group accounts	<u>179,458</u>	<u>184,783</u>

<sup>N1</sup> The unrealised retained profits are mainly deferred tax provisions, net gains arising from re-measurement of assets and liabilities at fair value through profit or loss and translation gains or losses of monetary items denominated in a currency other than the functional currency.

<sup>N2</sup> Consolidation adjustments are mainly eliminations of pre-acquisition profits or losses, fair value adjustments arising from the business combination and non-controlling interests' share of retained profits or accumulated losses.

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**B11. Dividend Payable**

No interim dividend has been recommended for the financial period ended 30 June 2017.

**B12. Earnings per Share**

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests on the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2017 RM'000	Preceding Year Quarter 30.6.2016 RM'000	Current Year-To- Date 30.6.2017 RM'000	Preceding Year-To- Date 30.6.2016 RM'000
<b><u>Basic earnings per share</u></b>				
Profit/(Loss) attributable to members of the Company	14,514	37,767	30,208	44,463
Weighted Average Number of Ordinary Shares ('000)	888,316	888,316	888,316	755,491
Basic earnings per share (sen)	1.63	4.25	3.40	5.91

By Order of the Board  
 Lau Bey Ling  
 Leong Shiak Wan  
 Company Secretaries  
 Kuala Lumpur  
 Date: 28 August 2017