

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



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	Individual Quarter		Cummulative Period	
	Current year quarter 30/09/2017 RM'000	Preceding year quarter 30/09/2016 RM'000	Current year to date 30/09/2017 RM'000	Preceding year to date 30/09/2016 RM'000
Revenue	383,549	370,841	1,103,482	1,072,635
Cost of sales	(282,533)	(256,536)	(772,941)	(749,671)
Gross profit	101,016	114,305	330,541	322,964
Other items of income				
Interest income	12,890	20,420	43,579	57,026
Other income	2,323	1,444	8,070	27,488 *
Other items of expense				
Admin/Operating expenses	(49,652)	(52,908)	(170,099) **	(152,516)
Finance costs	(23,564)	(35,686)	(75,917)	(112,935) ***
Zakat	(1,171)	(793)	(2,650)	(3,998)
Share of results of a joint venture	-	(81)	-	1,228
Share of results of associates	5,474	-	8,639	-
Profit/(loss) before tax	47,316	46,701	142,163	139,257
Income tax expense	(13,135)	(19,023)	(52,403)	(48,254)
Profit/(loss) net of tax	34,181	27,678	89,760	91,003
Other comprehensive income:				
Foreign currency translation	(3,908)	(8,416)	(7,606)	(25,330)
Share of other comprehensive loss of an associates	1,466	-	4,211	-
Remeasurement of defined benefit liability	2,764	-	2,764	-
Total comprehensive income/(loss) for the year/period	34,503	19,262	89,129	65,673
Profit/(loss) net of tax attributable to:				
Owners of the parent	25,196	14,142	55,404	58,815
Non-controlling interests	8,985	13,536	34,356	32,188
	34,181	27,678	89,760	91,003
Total comprehensive (loss)/income attributable to:				
Owners of the parent	24,964	5,729	54,218	33,488
Non-controlling interests	9,539	13,533	34,911	32,185
	34,503	19,262	89,129	65,673
Earnings per share (sen):				
Basic	2.84	1.59	6.24	7.35
Diluted	N/A	N/A	N/A	N/A
EBITDA (includes amortisation of services concession assets)	153,751	149,406	443,858	457,164

* 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 (Ytd: RM8.7 million)

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



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾ (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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2017



Ranhill

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited	Audited
	As at	As at
	30/09/2017	31/12/2016
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	564,239	575,250
Service concession assets	75,505	300,039
Intangibles	302,181	295,193
Operating financial asset	63,701	64,258
Finance lease receivables	519,724	552,580
Deferred tax assets	182,456	215,787
Investment in an associate	193,323	169,840
Investment in a joint venture	5	5
Trade and other receivables	70,408	72,188
	<u>1,971,542</u>	<u>2,245,140</u>
Current assets		
Finance lease receivables	43,405	41,038
Operating financial asset	6,117	7,253
Trade and other receivables	337,274	331,453
Inventories	76,862	75,562
Tax recoverable	4,556	3,479
Other current assets	27,901	28,229
Other financial assets	19,812	14,175
Deposits, cash and bank balances	363,891	460,269
	<u>879,818</u>	<u>961,458</u>
Total assets	<u>2,851,360</u>	<u>3,206,598</u>
Current liabilities		
Retirement benefit obligations	9,235	7,065
Finance lease payables	1,359	1,632
Short term borrowings	97,254	94,450
Zakat	11,270	8,699
Trade and other payables	345,220	416,966
Other current liability	15,721	5,229
Service concession obligations	89,997	333,401
Tax payable	192	983
	<u>570,248</u>	<u>868,425</u>
Net current assets	<u>309,570</u>	<u>93,033</u>
Non-current liabilities		
Retirement benefit obligations	79,844	85,808
Finance lease payables	1,968	2,478
Long term borrowings	1,063,099	1,155,943
Trade and other payables	35,884	86,523
Service concession obligations	-	-
Consumer deposits	236,749	180,354
Deferred tax liabilities	69,489	65,017
	<u>1,487,033</u>	<u>1,576,123</u>
Total liabilities	<u>2,057,281</u>	<u>2,444,548</u>



Ranhill

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (continued)

	Unaudited As at 30/09/2017 RM'000	Audited As at 31/12/2016 RM'000
Net assets	<u>794,079</u>	<u>762,050</u>
Equity attributable to owners of the parent		
Share capital	888,316	888,316
Share premium	387,003	387,003
Other reserves	(884,693)	(881,298)
Retained earnings	<u>206,855</u>	<u>184,783</u>
	597,481	578,804
Non controlling interest	<u>196,598</u>	<u>183,246</u>
Total equity	<u>794,079</u>	<u>762,050</u>
Total equity and liabilities	<u>2,851,360</u>	<u>3,206,598</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.67</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.

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



UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽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	-	-	(3,395)	-	-	57,613	54,218	34,911
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(84)
-Effect on disposal of a subsidiary	-	-	-	-	-	(8)	(8)	(875)
-Dividends on ordinary shares	-	-	-	-	-	(35,533)	(35,533)	(20,600)
At 30 September 2017	888,316	387,003	20,259	1,063	(906,015)	206,855	597,481	196,598
At 1 January 2016	565,995	339,597	25,809	1,063	(906,015)	146,419	172,868	211,416
Total comprehensive income	-	-	(25,328)	-	-	58,815	33,487	32,185
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(77)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(1,087)
-New public issuance of shares	322,321	64,464	-	-	-	-	386,785	-
-Share issuance expenses	-	(17,058)	-	-	-	-	(17,058)	-
-Effect on acquisition of the remaining 47.9% equity interest in RWT (Cayman)	-	-	-	-	-	20,956	20,956	-
-Dividends on ordinary shares	-	-	-	-	-	(15,990)	(15,990)	(61,642)
At 30 September 2016	888,316	387,003	481	1,063	(906,015)	210,200	581,048	180,795

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.



UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	9 months ended 30/09/2017 RM'000	9 months ended 30/09/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	142,163	139,257
Adjustments for:		
Depreciation of property, plant and equipment	35,878	36,868
Net (gain)/loss on disposal of property, plant and equipment	(140)	(304)
Property, plant and equipment written off	797	16
Amortisation of service concession asset	233,391	225,024
Amortisation of concession rights	48	75
Amortisation of software	40	31
Negative goodwill arising from acquisition of RWTC	-	(18,093)
Gain on disposal of a subsidiary	(144)	-
Share of profit of a joint venture	-	(1,228)
Share of profit of an associates	(8,639)	-
Allowance/(Write back allowance) for slow-moving inventories	(47)	-
Bad debts written off	206	-
Provision retirement benefit plan	6,453	6,639
Zakat	2,650	3,998
Unrealised foreign exchange (gain)/loss	2,719	70
Allowance for impairments	-	521
Provision for liquidated ascertained damages	-	1,691
Interest income	(43,579)	(57,026)
Interest expense	75,917	112,935
Operating profit before working capital changes	<u>447,713</u>	<u>450,474</u>
Receivable	(29,789)	26,111
Payables	(74,568)	(206,736)
Inventories	(1,415)	5,745
Finance lease receivables	63,127	63,126
Operating financial asset	2,549	7,543
Other current asset	157	(732)
Cash generated from operations	<u>407,774</u>	<u>345,531</u>
Retirement benefits plan paid	(7,484)	(5,601)
Zakat paid	(79)	(4,940)
Tax paid	(16,723)	(18,096)
Lease rental payable to PAAB	(252,260)	(210,271)
Net cash generated from operating activities	<u>131,228</u>	<u>106,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,879)	(20,950)
Proceeds from disposal of property, plant and equipment	143	337
Disposal of short term investments	(5,637)	(4,880)
Purchase of software	(56)	-
Net cash inflow on disposal of a subsidiary	485	-
Net cash outflow on acquisition of remaining share of RWTC	-	(115,092)
Dividend received from joint venture	-	5,250
Interest received	10,941	13,290
Net cash (used in)/generated from investing activities	<u>(20,003)</u>	<u>(122,045)</u>



Ranhill

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) ⁽¹⁾

	9 months ended 30/09/2017 RM'000	9 months ended 30/09/2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (placement)/withdrawal of fixed deposits with banking facilities	(61,440)	99,000
Drawdown of term loans	915	715
Finance lease principal repayments	(1,286)	(1,029)
Proceeds from issuance of shares	-	386,785
Payment of initial public offering exercise expenses	-	(13,073)
Repayment of borrowings	(95,846)	(418,600)
Dividends paid	(47,250)	(77,632)
Payment of premium IMTN and Sukuk redemption	-	(17,890)
Payment of Sukuk guarantee fee	-	(13,837)
Interest paid	(60,307)	(68,724)
Net cash used in financing activities	<u>(265,214)</u>	<u>(124,285)</u>
Net (decrease)/ increase in cash and cash equivalents	(153,989)	(139,707)
Effect of exchange rate changes on cash and cash equivalents	(2,496)	2,402
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>128,601</u>	<u>168,240</u>

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

Cash at banks and on hand	45,469	103,584
Short term deposits with licensed bank	318,422	218,231
Total deposits, cash and bank balances	<u>363,891</u>	<u>321,815</u>
Bank overdrafts	(2,165)	(4,202)
Restricted deposits, cash and bank balances	<u>(233,125)</u>	<u>(149,373)</u>
Cash and cash equivalents	<u>128,601</u>	<u>168,240</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.

Description	Effective for annual periods beginning on or after
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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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.

Description	Effective for annual periods beginning on or after
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 September 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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



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 September 2017:

	Environment RM'000	Power RM'000	Others RM'000	Elimination RM'000	Total RM'000
BY BUSINESS SEGMENTS					
Revenue					
Sales to external customers	870,158	233,324	-	-	1,103,482
Inter-segment elimination	-	-	197,053	(197,053)	-
	<u>870,158</u>	<u>233,324</u>	<u>197,053</u>	<u>(197,053)</u>	<u>1,103,482</u>
Results					
Segment profit/(loss)	<u>128,220</u>	<u>38,489</u>	<u>(76,949)</u>		<u>89,760</u>
Segment assets	<u>1,357,673</u>	<u>1,321,294</u>	<u>172,393</u>		<u>2,851,360</u>
Segment liabilities	<u>780,240</u>	<u>701,592</u>	<u>575,449</u>		<u>2,057,281</u>
Proforma scenario					
Results					
Segment profit/(loss)	128,220	38,489	(76,949)		89,760
Add/(less): Sukuk interest	<u>(29,466)</u>	<u>(4,549)</u>	<u>34,015</u>		<u>-</u>
Adjusted segment profit/(loss)	<u>98,754</u>	<u>33,940</u>	<u>(42,934)</u>		<u>89,760</u>
Segment assets	1,357,673	1,321,294	172,393		2,851,360
Add/(less): Bank balances related to Sukuk	<u>123,419</u>	<u>19,055</u>	<u>(142,474)</u>		<u>-</u>
Adjusted segment assets	<u>1,418,092</u>	<u>1,340,349</u>	<u>29,919</u>		<u>2,851,360</u>
Segment liabilities	780,240	701,592	575,449		2,057,281
Add/(less): Sukuk loan	<u>470,993</u>	<u>72,718</u>	<u>(543,711)</u>		<u>-</u>
Adjusted segment liabilities	<u>1,251,233</u>	<u>774,310</u>	<u>31,738</u>		<u>2,057,281</u>

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



A9. Segmental Information (continued)

For the financial period ended 30 September 2016:

	Environment RM'000	Power RM'000	Others RM'000	Elimination RM'000	Total RM'000
BY BUSINESS SEGMENTS					
Revenue					
Sales to external customers	833,504	239,083	49	-	1,072,635
Inter-segment elimination	-	-	174,495	(174,495)	-
	<u>833,504</u>	<u>239,082</u>	<u>174,544</u>	<u>(174,495)</u>	<u>1,072,635</u>
Results					
Segment profit/(loss)	<u>128,345</u>	<u>32,809</u>	<u>(70,151)</u>		<u>91,003</u>
Segment assets	<u>2,027,682</u>	<u>1,400,557</u>	<u>74,587</u>		<u>3,502,826</u>
Segment liabilities	<u>1,366,273</u>	<u>751,298</u>	<u>623,412</u>		<u>2,740,983</u>
Proforma scenario					
Results					
Segment profit/(loss)	128,345	32,809	(70,151)		91,003
Add/(less):					
Sukuk interest	(34,676)	(5,354)	40,030		-
Sukuk premium redemption and its related	(5,106)	(788)	5,894		
Adjusted segment profit/(loss)	<u>88,563</u>	<u>26,667</u>	<u>(24,227)</u>		<u>91,003</u>
Segment assets	2,027,682	1,400,557	74,587		3,502,826
Add/(less):					
Bank balances related to Sukuk	48,614	7,506	(56,120)		-
Adjusted segment assets	<u>2,076,296</u>	<u>1,408,063</u>	<u>18,647</u>		<u>3,502,826</u>
Segment liabilities	1,366,273	751,298	623,412		2,740,983
Add/(less):					
Sukuk loan	518,894	80,113	(599,007)		-
Adjusted segment liabilities	<u>1,885,167</u>	<u>831,411</u>	<u>24,405</u>		<u>2,740,983</u>

A9. Segmental Information (continued)

Environment segment

1. Revenue generated of RM870.2 million (2016: RM833.5 million) was an increase of RM36.7 million compared to its preceding year mainly due to increase in volume of water consumption in line with the increase in customer base arising from new developments of housing.
2. Profit after taxation of RM128.2 million (2016: RM128.3 million) was a slight decrease of RM0.1 million compared to its preceding year.

Power segment

1. Revenue generated of RM233.3 million (2016: 239.1 million) was a decrease of RM5.8 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) and several maintenance mainly due to GTs off-line water wash, GT12 Force Outage and Boroscope inspection during the year.
2. Profit after taxation of RM38.5 million (2016: RM32.8 million) was an increase of RM5.7 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 and being offset against reduction in revenue in current 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. Effective 5 July 2017, the 74 units of shares in SMHESB have been transferred to the Company and SMHESB has become a wholly-owned subsidiary of the Company.
- (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 1st milestone being achieved on 21st June 2017, PWS cease to be a subsidiary of the group. The 2nd and 3rd milestones are on or before 21th September 2017 and 21 December respectively. The 1st and 2nd milestones payment had been received.
- (c) On 15 September 2017, Ranhill Venture (Hong Kong) Limited ("Ranhill Venture HK"), an indirect wholly-owned subsidiary of the Company has been deregistered.
- (d) On 18 September 2017, the Company has incorporated a company, namely SAJ Capital Sdn Bhd ("SAJ Capital") via its wholly-owned subsidiary, RCSB with paid –up share capital RM2 divided into 2 ordinary shares.



A10. Changes in the Composition of the Group (continue)

- (e) On 28 September 2017, the Company via its wholly-owned subsidiary, RCSB has acquired 2 ordinary shares representing 100% of the total issued and paid-up share capital of Ranhill Power Myanmar Sdn Bhd (“RPMSB”) for a cash consideration of RM2.00.
- (f) On 29 September 2017, Ranhill International Trade (Hong Kong) Limited (“Ranhill International Trade HK”), an indirect wholly-owned subsidiary of the Company has been deregistered.
- (g) On 29 September 2017, the Company via its wholly-owned subsidiary, RCSB has acquired 18,700,000 ordinary shares in Tawau Green Energy Sdn Bhd (“TGE”) representing 26.7% of equity interest for a consideration of RM18,700,000 based on RM1.00 per share.

A11. Contingent Liabilities

On 31 October 2017, our wholly-owned subsidiary of the Company, Ranhill Water Technologies (Cayman) Ltd (“RWTC”) was served with summons from the court in the People’s Republic of China claiming for alleged unpaid fees in the amount of RMB19,939,799.14 (equivalent to about RM12.76mil at today’s Bank Negara exchange rate) (“Claim”) pursuant to an agreement dated 19 August 2014 (“Agreement”). RWTC is the 2nd defendant. The Claim is also being made against our associate companies, Ranhill Water (Hong Kong) Limited (“RWHK”) and Ranhill Technologies (Shanghai) Ltd.

The claimant, Wahtoting Holding Limited (“Claimant”), was appointed by RWTC to source for a party to acquire the interest in RWHK and for the said party to form strategic partnership with RWTC. The Agreement was conditional upon key performance indicators (“KPI”) to be met by the Claimant. However, the KPI were completely not met by the Claimant. As such, we are of the opinion that the Claimant has no merit and that the Claim is frivolous and baseless. RWTC will engage a legal firm practising in the People’s Republic of China to represent itself against the Claim.

A12. Capital Commitments

The Group has the following capital commitments in respect of:

	30.09.2017	31.12.2016
	RM'000	RM'000
Approved and contracted for	606	1,403
Approved but not contracted for	5,432	2,217
	<u>6,038</u>	<u>3,620</u>

A13. Significant Events Subsequent to the Balance Sheet Date

There was no material events subsequent to the current quarter ended 30 September 2017.

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 30.09.2017 RM'000	Preceding year quarter 30.09.2016 RM'000		Current year to date 30.09.2017 RM'000	Preceding year to date 30.09.2016 RM'000	
Revenue	383,549	370,841	3.4%	1,103,482	1,072,635	2.9%
Operating profit	53,687	62,841	-14.6%	168,512	197,936	-14.9%
Profit Before Interest and Tax	57,990	61,967	-6.4%	174,501	195,166	-10.6%
Profit Before Tax	47,316	46,701	1.3%	142,163	139,257	2.1%
Profit After Tax	34,181	27,678	23.5%	89,760	91,003	-1.4%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	25,196	14,142	78.2%	55,404	58,815	-5.8%

During the quarter ended 30 September 2017, the Group recorded a revenue of RM383.5 million (Q3 2016: RM370.8 million) and profit or loss before tax of RM47.3 million (Q3 2016: RM46.7 million). The revenue and profit before taxation for the year to date amount to RM1,103.5 million (2016: RM1,072.6 million) and RM142.2 million (2016: RM139.3 million) respectively.

The increase in revenue for the Group was mainly contributed by the increase revenue in environment segment due to increase in volume of water consumption in line with the increase in customer base arising from new developments of housing.

The increase in profit attributable to ordinary equity holder of the parent for the quarter was mainly contributed by saving of approximately RM3 million from the rationalisation and relocation exercise in the current quarter and a one-off RM5.9 million recognition of Sukuk redemption premium in preceding year quarter.

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



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

	Individual Quarter		Changes %
	Current year quarter 30.09.2017 RM'000	Immediate preceding quarter 30.06.2017 RM'000	
Revenue	383,549	367,983	4.2%
Operating Profit	53,687	60,013	-10.5%
Profit Before Interest and Tax	57,990	60,924	-4.8%
Profit Before Tax	47,316	51,719	-8.5%
Profit After Tax	34,181	29,049	17.7%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	25,196	14,514	73.6%

The Group recorded revenue of RM383.5 million in the current quarter compared to its immediate preceding quarter's revenue of RM368.0 million, an increase of RM15.5 million or 4.2%. The profit before taxation for the current quarter reduced by RM4.4 million to RM47.3 million compared to RM51.7 million in the immediate preceding quarter.

The increase in revenue for the Group was mainly contributed by the increase revenue in environment segment due to increase in volume of water consumption in line with the increase in customer base arising from new developments of housing.

The increase in profit attributable to ordinary equity holder of the parent compared to its immediate preceding quarter was mainly contributed by saving of approximately RM3 million from the rationalisation and relocation exercise in the current quarter compared to a one-off charge out of RM6.1 million rationalisation and relocation exercise in the previous quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B3. Prospects

We foresee gradual growth in electricity demand from the Company's current 2 X 190MW plants. The negotiation on the 300MW combined cycle power plant in Sandakan is progressing. The power sector has also commenced 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 will enhance the revenue and profit of the Group. The salient points of the joint billing agreement have been agreed and the agreement is expected to be executed by end of the year.

Our non-revenue water ("NRW") division spearheaded by Ranhill Water Services ("RWS") has secured Johor Phase 5 NRW jobs which are targeted to lower Johor's NRW to approximately 22% by December 2020. RWS is 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 approximately 1%. The joint venture is now 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.

The group's recent award for the 7 MLD reclamation water treatment plant in Amata City to produce reclaimed water for non-portable use, with an estimated investment of THB 158.93 million will further enhance the revenue and profit of the group.

B4. Profit Forecast

Not applicable.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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



B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2017 RM'000	Preceding year quarter 30.09.2016 RM'000	Current year to date 30.09.2017 RM'000	Preceding year to date 30.09.2016 RM'000
Malaysia taxation:				
Current taxation	5,119	7,097	14,523	17,334
(Over)/under provision prior years	81	(13)	81	(428)
Foreign taxation:				
Current taxation	10	(6)	107	40
Deferred taxation	(149)	1,596	5	954
Deferred taxation				
Current taxation	8,180	12,412	37,793	31,681
Under/(Over) provision in prior years	(106)	(2,063)	(106)	(1,327)
	<u>13,135</u>	<u>19,023</u>	<u>52,403</u>	<u>48,254</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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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



B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2017 RM'000	Preceding year quarter 30.09.2016 RM'000	Current year to date 30.09.2017 RM'000	Preceding year to date 30.09.2016 RM'000
Amortisation of service concession assets	83,371	75,008	233,391	225,024
Amortisation of software	11	14	40	31
Amortisation of concession rights	17	51	48	75
Depreciation of property, plant and equipment	12,362	12,366	35,878	36,868
IMTN premium redemption	-	-	-	13,343
Negative goodwill arising from acquisition of RWTC	-	2,026	-	(18,093)
Unrealised foreign exchange (gain)/loss	644	(2,746)	2,719	70
Realised foreign exchange (gain)/loss	(524)	764	(1,387)	(1,304)
Provision for liquidated ascertained damages	-	54	-	1,691
Property, plant and equipment written off	788	4	796	16
Allowance for impairments	-	-	-	521
Gain on disposal of property, plant and equipment	-	(282)	(140)	(304)
SUKUK premium redemption and related expenses	-	5,894	-	5,894
Rationalisation and relocation costs	-	-	8,701	-

B7. Status of Corporate Proposal Announced

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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



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 September 2017					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank Overdraft	265	-	-	-	265	-
- Term loan	3,192	-	8,672	-	11,864	-
- Musharakah Medium Term Notes ("mMTN")	-	28,884	-	562,566	-	591,450
- SUKUK	-	63,013	-	480,698	-	543,711
Sub total	3,457	91,897	8,672	1,043,264	12,129	1,135,161
Unsecured						
- Bank Overdraft	-	1,900	-	-	-	1,900
- Convertible unsecured loan stocks ("CULS")	-	-	-	11,163	-	11,163
Sub total	-	1,900	-	11,163	-	13,063
Grand Total	3,457	93,797	8,672	1,054,427	12,129	1,148,224
						1,160,353

	As at year ended 31 December 2016					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- 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
Sub total	3,589	85,824	11,354	1,133,510	14,943	1,219,334
Unsecured						
- 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
Sub total	378	4,659	-	11,079	378	15,738
Grand Total	3,967	90,483	11,354	1,144,589	15,321	1,235,072
						1,250,393

B9. Changes in Material Litigation

As at the date of this report, 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, except for those disclosed in Note A11.

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.

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	323,340	271,075
- Unrealised ^{N1}	94,013	130,370
	<u>417,353</u>	<u>401,445</u>
Total share of retained profits/(accumulated losses) of joint venture		
- Realised	-	6,843
- Unrealised ^{N1}	-	(92)
	<u>-</u>	<u>6,751</u>
Total share of retained profits/(accumulated losses) of the associates		
- Realised	14,955	9
- Unrealised ^{N1}	60	(384)
	<u>15,015</u>	<u>(375)</u>
	<u>432,368</u>	<u>407,821</u>
Less: consolidation adjustments ^{N2}	<u>(225,513)</u>	<u>(223,038)</u>
Total group retained profits as per group accounts	<u>206,855</u>	<u>184,783</u>

^{N1} 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.

^{N2} 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.

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



B11. Dividend Payable

The first interim single tier dividend of 1.0 sen per share on 888,315,767 ordinary shares dividend for financial year ended 31 December 2017 have been announced on 13 November 2017 and payable on 13 December 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 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Current Year-To- Date 30.09.2017 RM'000	Preceding Year-To- Date 30.09.2016 RM'000
<u>Basic earnings per share</u>				
Profit/(Loss) attributable to members of the Company	25,196	14,142	55,404	58,815
Weighted Average Number of Ordinary Shares ('000)	888,316	888,316	888,316	800,089
Basic earnings per share (sen)	2.84	1.59	6.24	7.35

By Order of the Board
 Lau Bey Ling
 Leong Shiak Wan
 Company Secretaries
 Kuala Lumpur
 Date: 13 November 2017