

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2020**

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	Individual Quarter		Cummulative Period	
	Current year quarter 31/03/2020 RM'000	Preceding year quarter 31/03/2019 RM'000	Current year to date 31/03/2020 RM'000	Preceding year to date 31/03/2019 RM'000
Revenue	368,281	405,051	368,281	405,051
Cost of sales	(267,048)	(289,335)	(267,048)	(289,335)
Gross profit	101,233	115,716	101,233	115,716
Other items of income				
Interest income	13,653	13,510	13,653	13,510
Other income	4,773	3,075	4,773	3,075
Other items of expense				
Admin/Operating expenses	(60,021)	(57,167)	(60,021)	(57,167)
Finance costs	(21,946)	(26,659)	(21,946)	(26,659)
Zakat	(250)	(1,364)	(250)	(1,364)
Share of results of associates	3,838	2,477	3,838	2,477
Profit before tax	41,280	49,588	41,280	49,588
Income tax expense	(13,918)	(16,660)	(13,918)	(16,660)
Profit net of tax	27,362	32,928	27,362	32,928
Other comprehensive income:				
Foreign currency translation, representing total other comprehensive income/(loss)	1,195	753	1,195	753
Total comprehensive income for the year/period	28,557	33,681	28,557	33,681
Profit net of tax attributable to:				
Owners of the parent	18,190	21,367	18,190	21,367
Non-controlling interests	9,172	11,561	9,172	11,561
	27,362	32,928	27,362	32,928
Total comprehensive income attributable to:				
Owners of the parent	19,385	22,119	19,385	22,119
Non-controlling interests	9,172	11,562	9,172	11,562
	28,557	33,681	28,557	33,681
Earnings per share (sen):				
Basic	1.70	2.00	1.70	2.00
Diluted	N/A	N/A	N/A	N/A
EBITDA (includes amortisation of services concession assets)	147,364	157,941	147,364	157,941
EBIT	49,573	62,737	49,573	62,737

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/03/2020 RM'000	Audited As at 31/12/2019 RM'000
Non-current assets		
Property, plant and equipment	571,601	578,891
Service concession assets	246,226	327,299
Intangibles	300,127	299,293
Rights of use of assets	9,560	10,123
Finance lease receivables	395,892	409,342
Deferred tax assets	55,939	64,780
Investment in an associates	170,876	160,924
Operating financial assets	85,647	89,354
Trade and other receivables	156,874	160,593
Contract assets	-	135
Other non-current assets	11,622	12,026
	<u>2,004,364</u>	<u>2,112,760</u>
Current assets		
Finance lease receivable	52,326	51,357
Operating financial assets	9,225	9,496
Trade and other receivables	274,777	211,390
Contract assets	11,962	24,302
Inventories	98,168	89,070
Tax recoverable	2,573	1,358
Other current assets	12,427	11,064
Other financial assets	75,492	75,635
Deposits, cash and bank balances	331,710	453,892
	<u>868,660</u>	<u>927,564</u>
Total assets	<u>2,873,024</u>	<u>3,040,324</u>
Current liabilities		
Retirement benefit obligations	10,966	11,162
Loans and borrowings	93,861	93,076
Zakat	11,742	11,492
Trade and other payables	239,869	300,390
Contract liabilities	7,090	57
Service concession obligations	249,403	328,970
Tax payable	17,057	15,825
	<u>629,988</u>	<u>760,972</u>
Net current assets	<u>238,672</u>	<u>166,592</u>

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

	Unaudited As at 31/03/2020 RM'000	Audited As at 31/12/2019 RM'000
Non-current liabilities		
Retirement benefit obligations	72,883	72,370
Loans and borrowings	1,023,361	1,073,042
Trade and other payables	230	1,076
Consumer deposits	251,567	251,458
Deferred tax liabilities	79,805	81,298
	<u>1,427,846</u>	<u>1,479,244</u>
Total liabilities	<u>2,057,834</u>	<u>2,240,216</u>
Net assets	<u>815,190</u>	<u>800,108</u>
Equity attributable to owners of the parent		
Share capital	1,282,907	1,275,319
Treasury shares	(3,988)	-
Other reserves	(890,750)	(891,945)
Retained earnings	206,347	198,870
	<u>594,516</u>	<u>582,244</u>
Non-controlling interests	220,674	217,864
Total equity	<u>815,190</u>	<u>800,108</u>
Total equity and liabilities	<u>2,873,024</u>	<u>3,040,324</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.56</u>	<u>0.55</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 2019 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Treasury shares	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	Total equity RM'000
At 1 January 2020	1,275,319	-	13,007	1,063	(906,015)	198,870	582,244	217,864	800,108
Total comprehensive income	-	-	1,195	-	-	18,190	19,385	9,172	28,557
-Issue of share -dividend reinvestment plan	7,588	-	-	-	-	-	7,588	-	7,588
-Purchase of own shares	-	(3,988)	-	-	-	-	(3,988)	-	(3,988)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(362)	(362)
-Dividends on ordinary shares	-	-	-	-	-	(10,713)	(10,713)	(6,000)	(16,713)
At 31 March 2020	1,282,907	(3,988)	14,202	1,063	(906,015)	206,347	594,516	220,674	815,190
At 1 January 2019	1,275,319	-	11,547	1,063	(906,015)	167,455	549,369	207,382	756,751
Total comprehensive income	-	-	753	-	-	21,366	22,119	11,562	33,681
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(363)	(363)
-Dividends on ordinary shares	-	-	-	-	-	(8,883)	(8,883)	-	(8,883)
At 31 March 2019	1,275,319	-	12,300	1,063	(906,015)	179,938	562,605	218,581	781,186

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	3 months ended 31/03/2020 RM'000	3 months ended 31/03/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,280	49,588
Adjustments for:		
Depreciation of property, plant and equipment	12,728	11,768
Depreciation of right-use-of asset	610	369
Net gain on disposal of property, plant and equipment	(61)	(58)
Property, plant and equipment written off	-	11
Amortisation of service concession asset	84,042	82,949
Amortisation of software	411	118
Share of results of associates	(3,838)	(2,477)
Net bad debts written off	14	-
Provision for retirement benefit plan	2,537	1,970
Zakat	250	1,364
Net unrealised foreign exchange (gain)/loss	(1,765)	(1,055)
Allowance for expected credit losses on:		
-Trade receivables	614	-
-Other receivables	-	3,500
Reversal for liquidated ascertained damages	(80)	-
Interest income	(13,653)	(13,510)
Interest expense	21,946	26,659
Operating profit before working capital changes	<u>145,035</u>	<u>161,196</u>
Receivables	(43,631)	(19,947)
Payables	(48,337)	116,674
Inventories	(9,105)	283
Finance lease receivables	21,042	21,043
Operating financial asset	1,164	1,637
Contract assets	12,643	(5,302)
Contract liability	7,025	4,127
Other non-current and current asset	<u>(962)</u>	<u>12,702</u>
Cash generated from operations	84,874	292,413
Retirement benefits plan paid	(2,178)	(3,279)
Tax paid	(6,711)	(6,509)
Repayment of lease rental payable to PAAB	<u>(86,331)</u>	<u>(199,254)</u>
Net cash (used in)/generated from operating activities	<u>(10,346)</u>	<u>83,371</u>

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

	3 months ended 31/03/2020 RM'000	3 months ended 31/03/2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,952)	(4,603)
Purchase of right-of-use assets	(66)	(314)
Proceeds from disposal of property, plant and equipmen	62	652
Disposal/(placement) of short term investments	143	(7,420)
Purchase of software	(1,247)	(240)
Interest received	3,187	2,364
Net cash used in investing activities	<u>(5,873)</u>	<u>(9,561)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Placement)/withdrawal of fixed deposits with banking facilities	127,295	(45,566)
Drawdown of loans and borrowings	(1)	3,091
Repayment of lease liabilities	(688)	(963)
Repayment of loans and borrowings	(41,254)	(867)
Purchase of own shares	(3,988)	-
Dividends paid	(36,445)	(21,133)
Interest paid	(18,612)	(26,167)
Net cash generated/(used in) financing activities	<u>26,307</u>	<u>(91,605)</u>
Net increase in cash and cash equivalents	10,088	(17,795)
Effect of exchange rate changes on cash and cash equivale	(6,984)	660
Cash and cash equivalents at beginning of year	<u>167,302</u>	<u>200,817</u>
Cash and cash equivalents at end of year	<u>170,406</u>	<u>183,682</u>

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

Cash at banks and on hand	53,941	64,902
Short term deposits with licensed banks	<u>277,769</u>	<u>319,215</u>
Total deposits, cash and bank balances	331,710	384,117
Bank overdrafts	(2,009)	(335)
Restricted deposits, cash and bank balances	(114,326)	(121,062)
Deposit pledge as securities to licence bank	(643)	(1,082)
Deposit with maturities of three months or more	<u>(44,326)</u>	<u>(77,956)</u>
Cash and cash equivalents	<u>170,406</u>	<u>183,682</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 2019 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 ("IASB") 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 2019 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 2019.

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 2019.

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

On 1 January 2020, 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 2020.

Description	Effective for annual periods beginning on or after
MFRS 101 and MFRS 108: Definition of Material (Amendments to MFRS 101 and MFRS 108)	1 January 2020
MFRS 3: Definition of a Business (Amendments to MFRS 3)	1 January 2020
MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	1 January 2020
Conceptual Framework: Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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

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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 17 Insurance Contracts	1 January 2021
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	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.

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 2019.

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 were unusual in nature, size or incidence for the current quarter and current financial year-to-date.

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.

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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 as disclosed below:

- (a) On 30 January 2020, the Company had successfully issued and allotted 6,961,407 new Company shares pursuant to shareholders opting for shares under the Dividend Reinvestment Plan (“DRP”). The Company had established a DRP which will provide the shareholders with an option to elect to reinvest their cash dividend declared by the Company which includes any interim, final, special or any other cash dividend in the Company’s shares. The second interim tax exempt (single-tier) dividend declared on 7 November 2019 was subjected to DRP, of which the election period will close on 17 January 2020.
- (b) On 3 February 2020, Company has proposed share buy-back authority of up to ten percent (10%) of the total number of its issued and paid up share capital.
- (c) As at 31 March 2020, the Company had completed the purchase of its issued ordinary shares from the open market on the respective dates as below and the shares purchased are held as treasury shares in accordance with Section 127(16) of the Companies Act 2016:

On:	Number of shares ‘000
3 March 2020	200
4 March 2020	400
5 March 2020	500
6 March 2020	100
11 March 2020	400
12 March 2020	140
16 March 2020	400
18 March 2020	600
19 March 2020	400
20 March 2020	150
23 March 2020	350
25 March 2020	188.7
26 March 2020	130
27 March 2020	160
30 March 2020	100
	4,218.7

A8. Dividend Paid

During the period ended 31 March 2020, the following payments of dividend were made:

In respect of the financial year ended 31 December 2019:

- (a) RM21,319,503 was declared on 7 November 2019 with the option to elect for DRP and Company has allotted and issued 6,961,407 new Company shares pursuant to the DRP while remaining of the dividend was paid on 30 January 2020 as second interim single tier dividend of 2.0 sen per share on 1,065,975,159 ordinary shares.

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A8. Dividend Paid (continued)

- (b) RM10,729,366 was declared on 27 February 2020 as third interim single tier dividend of 1.0 sen per share on 1,072,936,566 ordinary shares. However only RM10,713,966 being paid on 31 March 2020 after taking into consideration of shares buy back of 4,218,700 ordinary shares.

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 more meaningful contributions from the segments by apportioning the cost of acquiring the environment and power segments to the respective segment.

For the period ended 31 March 2020:

BY BUSINESS SEGMENTS	Environment RM'000	Power RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	303,938	64,343	28,433	396,714
Inter-segment elimination	-	-	(28,433)	(28,433)
	303,938	64,343	-	368,281
Results				
Segment profit/(loss)	42,630	8,695	(23,963)	27,362
Segment assets	1,582,013	1,185,283	105,728	2,873,024
Segment liabilities	828,758	641,501	587,575	2,057,834
Proforma scenario				
Results				
Segment profit/(loss)	42,630	8,695	(23,963)	27,362
Add/(less):				
Sukuk interest	(8,947)	(824)	9,771	-
Adjusted segment profit/(loss)	33,683	7,871	(14,192)	27,362
Segment assets	1,582,013	1,185,283	105,728	2,873,024
Add/(less):				
Bank balances related to Sukuk	60,111	5,538	(65,649)	-
Adjusted segment Assets	1,642,124	1,190,821	40,079	2,873,024
Segment liabilities	828,758	641,501	587,575	2,057,834
Add/(less):				
Sukuk loan	534,108	49,209	(583,317)	-
Adjusted segment liabilities	1,362,866	690,710	4,258	2,057,834

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A9. Segmental Information (continued)

For the financial year ended 31 March 2019:

BY BUSINESS SEGMENTS	Environment RM'000	Power RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	324,519	80,532	3,683	408,734
Inter-segment elimination	-	-	(3,683)	(3,683)
	324,519	80,532	-	405,051
Results				
Segment profit/(loss)	43,187	12,092	(22,351)	32,928
Segment assets	1,899,804	1,269,568	101,471	3,270,843
Segment liabilities	1,178,642	688,109	622,906	2,489,657
Proforma scenario				
Results				
Segment profit/(loss)	43,187	12,092	(22,351)	32,928
Add/(less): Sukuk interest	(9,127)	(841)	9,968	-
Adjusted segment profit/(loss)	34,060	11,251	(12,383)	32,928
Segment assets	1,899,804	1,269,568	101,471	3,270,843
Add/(less): Bank balances related to Sukuk	72,022	6,636	(78,658)	-
Adjusted segment assets	1,971,826	1,276,204	22,813	3,270,843
Segment liabilities	1,178,642	688,109	622,906	2,489,657
Add/(less): Sukuk loan	565,878	52,136	(618,014)	-
Adjusted segment liabilities	1,744,520	740,245	4,892	2,489,657

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A9. Segmental Information (continued)

Environment segment

1. Revenue generated of RM303.9 million (2019: RM324.5 million) was a decrease of RM20.6 million compared to its preceding year mainly due to RM9 million lower in water consumption and lower contribution from developers in Ranhill SAJ and RM11 million lower in EPC revenue Ranhill Water Technology.
2. Profit after taxation of RM42.6 million (2019: RM43.2 million) was a decrease of RM0.6 million compared to its preceding year mainly due to the above same reason.

Power segment

1. Revenue of RM64.3 million (2019: RM80.5 million) was a decrease of RM16.2 million compared to its preceding year mainly the reduction of power tariff (Capacity Payment Revenue-Capacity Rate Financial ("CPcrf")) upon full repayment of project loan in 2019 as stipulated in the Power Purchase Agreement (from RM35.91/kW per month to RM22.24/kW per month).
2. Profit after taxation of RM8.7 million (2019: RM12.1 million) decreased by RM3.4 million mainly due to the above same reason.

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.

A11. Contingent Liabilities

There were no contingent liabilities for the current quarter and current financial year-to-date.

A12. Capital Commitments

The Group has the following capital commitments in respect of:

	31.03.2020 RM'000	31.12.2019 RM'000
Approved and contracted for	39	775
Approved but not contracted for	4,170	3,290
	4,209	4,065

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A13. Significant Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the current quarter and current financial year to date except as disclosed below:

- (a) From 1 April 2020, the Company had completed the purchase of its issued ordinary shares from the open market on the respective dates as below and the shares purchased are held as treasury shares in accordance with Section 127(16) of the Companies Act 2016:

On:	Number of shares '000
1 April 2020	119
2 April 2020	143
3 April 2020	100
6 April 2020	100
7 April 2020	90
8 April 2020	130
9 April 2020	80
10 April 2020	40
13 April 2020	90
14 April 2020	80
15 April 2020	70
16 April 2020	120
17 April 2020	30
20 April 2020	80
21 April 2020	40
22 April 2020	45
23 April 2020	30
27 April 2020	110.4
29 April 2020	50
30 April 2020	55
5 May 2020	24.6
6 May 2020	10
12 May 2020	11
13 May 2020	50
15 May 2020	50
Sub total	1,748
Plus: From 3 March 2020 to 31 March 2020	4,218.7
	5,966.7

- (b) On 28 February 2020, the Company had proposed to change its name from "Ranhill Holdings Berhad" to "Ranhill Utilities Berhad". On 21 April 2020, the shareholders have approved the proposal at the Sixth Annual General Meeting of the Company. The change of the name officially completed with effect from 13 May 2020.

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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 31.03.2020 RM'000	Preceding year quarter 31.03.2019 RM'000		Current year to date 31.03.2020 RM'000	Preceding year to date 31.03.2019 RM'000	
Revenue	368,281	405,051	-9.1%	368,281	405,051	-9.1%
Operating profit	45,985	61,624	-25.4%	45,985	61,624	-25.4%
Profit Before Interest and Tax	49,573	62,737	-21.0%	49,573	62,737	-21.0%
Profit Before Tax	41,280	49,588	-16.8%	41,280	49,588	-16.8%
Profit After Tax	27,362	32,928	-16.9%	27,362	32,928	-16.9%
Profit Attributable to Ordinary Equity Holder of the Parent	18,190	21,367	-14.9%	18,190	21,367	-14.9%

For the quarter and year to date ended 31 March 2020, the Group recorded a revenue of RM368.3 million (Q12019/YTD2019: RM405.1 million) while profit attributable to ordinary equity holder of the parent of RM18.2 million (Q12019/YTD2019: RM21.4 million).

The decrease in revenue for the quarter and year to date were mainly contributed by :-

- lower in water consumption volume and lower contribution from developers amounting to RM 10 million in Ranhill SAJ Sdn Bhd ("RanhillSAJ")
- lower EPC revenue from Ranhill Water Technology of RM 11 million
- reduction in power tariff (Capacity Payment Revenue-Capacity Rate Financial ("CPcrf")) upon full repayment of project loan as stipulated in the Power Purchase Agreement amounting to RM16 million.

Profit attributable to ordinary equity holder of the parent for the quarter and year to date decreased by RM3.2 million compared to quarter and year to date 2019 was mainly due to the above same reason.

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B2. Comparison of Results for Current Quarter Ended 31 March 2020 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 31.03.2020 RM'000	Immediate preceding quarter 31.12.2019 RM'000	
Revenue	368,281	391,728	-6.0%
Operating Profit	45,985	98,543	-53.3%
Profit Before Interest and Tax	49,573	95,554	-48.1%
Profit Before Tax	41,280	88,542	-53.4%
Profit/(loss) After Tax	27,362	37,674	-27.4%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	18,190	23,493	-22.6%

The Group recorded a revenue of RM368.3 million in the current quarter compared to its immediate preceding quarter's revenue of RM391.7 million, a decrease of RM23.4 million or 6.0% mainly due to lower in water consumption and lower contribution from developer in RanhillSAJ of RM 17 million.

The profit attributable to ordinary equity holder of the parent for the current quarter has decreased by RM5.3 million from RM23.5 million in quarter 4 FY2019 to RM18.2 million in quarter 1 FY2020 mainly due to recognition of one-off non-recurring items in quarter 4 FY 2019 (income from waiver of lease rental RM64.0 million off-setted against RM 55 million in expenses (arrears of lease, higher electricity, sponsorship and Corporate Social Responsibility works, provisions and reversal of DTA)).

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B3. Prospects

With the recent Covid19 pandemic and the country's control measure to prevent spreading of the virus via Movement Control Order ("MCO"), the Group foresee it will be a challenging year ahead and will exercise caution in managing the group's business to ensure continuous recurring and stable source of cashflow is generated to support the operations and optimise the value of the stakeholders. Management will implement the necessary austerity measures without jeopardising operations and services. Given the outbreak and the recent change in the country's administration, the negotiations on tariff hike is expected to take longer than expected to materialise.

Initiatives to explore the opportunity in expanding water supply operations to other states in Malaysia are still actively sought, based on the "Asset-Light" model and our achievement in operating the water supply services in Johor for over 20 years, since 1999.

Over the years, our Non-Revenue Water ("NRW") management services have completed several water related contracts in the region valued at RM800m and has saved >500MLD of treated water through NRW contracts. RWS being a reputable NRW company stands a good chance of securing local NRW contracts via open tender and is its fifth successive NRW project in the state of Johor through competitive open tender process since 2011. RWS has been undertaking NRW projects in Johor successfully in a holistic manner since its inception in 2005 and has reduced NRW from over 37% in 2005 to 24.11% as at 31 December 2019.

Ranhill Water Technologies Sdn Bhd ("RWT") has completed the local sewage treatment plant ("STP") contract in Malaysia, namely for the Forest City project gives us further credence as we bid for similar contracts not only with Forest City but other property developers in Malaysia.

Internationally, RWT operates 12 industrial wastewater treatment plant in China totaling 227MLD (via joint venture with SIIC (a state-owned entity) and 10 water and wastewater treatment plants and reclamation plant with industrial park developers and other private enterprises which contribute to the total treatment design capacity of 114 MLD in Thailand. The Amata ROT contract signed last year with long concession period augurs well with our objective of expanding into long term regulated asset business in Thailand. The target is to increase our capacity in Thailand to 174 MLD by 2022 by securing more water and wastewater projects from major industrial parks like Amata.

In line with the anticipated growth of industrial parks in these markets, we strive to continue leveraging on our good track record and relationship with existing clients and at the same time develop new customers to grow our footprint in the region. We are optimistic in securing more industrial water and wastewater treatment projects with an additional treatment capacity not only from Amata Industrial park but other industrial parks in Thailand. With a growing operational presence in Malaysia, Thailand and China, we have a proven track record in successfully building and managing related projects and servicing a diverse field of customers ranging from industries, municipalities, industrial parks, water authorities and more.

As for the power division, we are proposing an extension of the existing concession at our Teluk Salut Power Plant beyond its existing concession end-2029. We intend to commence negotiation with the government for the PPA extension in 2020. We are of the view that a continued competitive tariff will hold us in good stead in renegotiating an extended tenure going forward. Additionally, the power division is also in discussion with other Ranhill subsidiaries to install ground-mounted solar PV or rooftop solutions to be installed in the latter's respective facilities. The business will be based on the Nett Energy Metering and / or Solar PPA concept where the power division will develop, finance and operate the solar PV plants on a long-term basis. Subsidiaries stand to benefit from a stable tariff over the long-term, which enables them to better plan their budget requirements going forward.

B3. Prospects (continued)

Ranhill is embarking on steps towards achieving growth in its power business. Ranhill is pursuing the development of new gas power plants in the ASEAN region, as well as diversifying into the renewable energy business such as, geothermal, large scale solar and waste-to-energy in tandem with the aspirations of the Malaysian government to increase its generation capacity from renewable energy sources. To enhance our international presence, we aim to further strengthen our operational presence in the region focusing on investment and development opportunities within the Environment and Power segments in South East Asia.

Ranhill maintains its target to own and operate gross 1,000 MW (currently 380 MW) power plants that deliver clean energy and 3,000 MLD water (currently 2456 MLD) and wastewater treatment capacity, of which 400 MLD is to be from international segment by 2022.

B4. Profit Forecast

Not applicable.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year	Preceding year	Current year	Preceding year
	quarter 31.03.2020 RM'000	quarter 31.03.2019 RM'000	to date 31.03.2020 RM'000	to date 31.03.2019 RM'000
Malaysia taxation:				
Current taxation	6,586	5,939	6,586	5,939
(Over)/under provision prior years	-	43	-	43
Foreign taxation:				
Current taxation	-	-	-	-
Deferred taxation	153	413	153	413
Deferred taxation				
Current taxation	7,075	8,674	7,075	8,674
Under provision prior years	104	1,591	104	1,591
	13,918	16,660	13,918	16,660

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.

In 2018, the new Finance Act 2018 which comes into effect on 26 December 2018, introduced a 7-Year Limitation on carry forward of unabsorbed business losses, unutilised reinvestment and investment allowances. Such ruling meant that Ranhill Powertron II can only utilise its unutilised investment allowance against any taxable profit up to year 2025, requiring a potential reversal of deferred tax asset to the income statement of RM42.7 million (2018:RM57.7 million).

Ranhill Powertron II, through its tax consultant, has since appealed to the Ministry of Finance ("MoF") to allow Ranhill Powertron II to utilise the investment allowance up to the end of the concession period in year 2032. The appeal is currently under assessment and consideration by the MoF.

Management, after consultation with the solicitors, is of the opinion that it is likely that the appeal will be successful and decided to continue recognising the deferred tax asset relating to unutilised investment allowance on the basis that any unutilised investment allowance will be available up to year 2032.

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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 31.03.2020 RM'000	Preceding year quarter 31.03.2019 RM'000	Current year to date 31.03.2020 RM'000	Preceding year to date 31.03.2019 RM'000
Amortisation of service concession assets	84,042	82,949	84,042	82,949
Amortisation of software	411	118	411	118
Depreciation of property, plant and equipment	12,728	11,768	12,728	11,768
Depreciation of right use of assets	610	369	610	369
Unrealised foreign exchange (gain)/loss	(1,765)	(1,055)	(1,765)	(1,055)
Realised foreign exchange gain	(194)	(89)	(194)	(89)
Allowance for expected credit losses on:				
- Trade receivables	614	-	614	-
- Other receivables	-	3,500	-	3,500
Property, plant and equipment written off	-	11	-	11
Reversal provision for liquidated ascertained damages	(80)	-	(80)	-
Gain on disposal of property, plant and equipment	(61)	(58)	(61)	(58)

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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Ranhill

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 31 March 2020					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	-	2,009	-	-	-	2,009
- Term loan	4,702	-	16,114	-	20,816	-
- Musharakah Medium Term Notes ("mMTN")	-	50,106	-	444,817	-	494,923
- SUKUK	-	35,163	-	548,154	-	583,317
Sub total	4,702	87,278	16,114	992,971	20,816	1,080,249
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,213	-	10,213
Sub total	-	-	-	10,213	-	10,213
Total borrowing	4,702	87,278	16,114	1,003,184	20,816	1,090,462
Lease liability		1,881		4,063		5,944
Grand Total	4,702	89,159	16,114	1,007,247	20,816	1,096,406
						1,117,222

	As at year ended 31 December 2019					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Term loan	5,065	-	17,939	-	23,004	-
- Musharakah Medium Term Notes ("mMTN")	-	50,106	-	444,817	-	494,923
- SUKUK	-	35,706	-	595,757	-	631,463
Sub total	5,065	85,812	17,939	1,040,574	23,004	1,126,386
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,213	-	10,213
Sub total	-	-	-	10,213	-	10,213
Total borrowing	5,065	85,812	17,939	1,050,787	23,004	1,136,599
Lease liability		2,199		4,316		6,515
Grand Total	5,065	88,011	17,939	1,055,103	23,004	1,143,114
						1,166,118

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 proceedings 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 except as disclosed below:

On 15th April 2019, the Company has submitted a statement of claim against the Defendant to recover RM7.0 million paid to him as part payment for shares in SM Hydro Energy Sdn Bhd ("SM Hydro"). The Group have been advised by the legal counsel that Dato' Mohd Fakrunizam Bin Ibrahim ("Defendant") had, on 10th April 2019, entered his appearance at the High Court at Kuala Lumpur pursuant to the writ filed by the Company.

On 6th April 2017, parties entered into a share sale and purchase agreement, supplemented by a supplemental share sale and purchase agreement dated 4th July 2017 ("SSPA") whereby the Company agreed to acquire all the shares of SM Hydro from the vendors upon terms and conditions stipulated therein. Announcement on the execution of the SSPA was made on 4th July 2017 and the announcement on the transfer of the shares was made on 11th July 2017. Pursuant to the representations made by the Defendant, the acquisition would allow the Company access to interest in the power project in Sandakan ("Project"). On 12th February 2018, parties to the Project were awarded a conditional award ("CLOA") of the Project. The announcement on the CLOA was made on 12th February 2018. The Company sought to negotiate the terms and conditions stipulated in the CLOA, which were onerous and not commercially viable. However, the request was unsuccessful and the Project was cancelled. By a letter dated 26th October 2018, the Energy Commission issued to the consortium consisting of SM Hydro and Sabah Development Energy (Sandakan) Sdn Bhd ("SDESB") informing SM Hydro and SDESB on the cancellation of the Project. Announcement on the cancellation of the Project was made on 29th October 2018.

Pursuant to the failure to achieve the award of the Project upon satisfactory terms in accordance with the SSPA, the Company terminated the SSPA and is seeking to recover RM7.0 million paid as part payment for shares in SM Hydro.

On 13th June 2019 the Company filed an application under Order 14 Rule 1 Rule of Court 2012 for recovery of RM 7.0 million by way of Summary Judgment (Enclosure 8). Meanwhile on 17th June 2019 the Defendant filed an application under Order 20 rule 5(1) and Order 5 rule 2(1) Rules of Court 2012 to amend its Defence and to include counter claim for the sum of RM14 million (Enclosure 10).

After hearing counsels' submissions for both applications Y.A. Dato' Indera Mohd Sofian bin Tan Sri Abd Razak had on 9th March 2020 made the following decisions:

- i. Learned Judge has allowed the Company's application in Enclosure 8 with RM 3,000 as order for costs.
- ii. In regards to Defendant's application in Enclosure 10, the Learned Judge disallowed proposed amendments to paragraphs 19 and 20 of the Proposed Amended Statement of Defence. The Learned Judge however allowed the Defendant to include Counterclaim of RM14 million against the Company.

The Defendant had served the Defence and Amended Counterclaim to the Company on 19th March 2020. The Company had duly filed Reply to Defence and Defence to Amended Counterclaim re-dated 31st March 2020.

On another development, the Defendant had also filed for an appeal against the High Court's decision in Enclosure 8 to the Court of Appeal and a Notice of Appeal had been served by the Defendant's counsel to the Company on 19th March 2020.

B9. Changes in Material Litigation (continued)

Announcement to Bursa was lodged by the Company on 24th March 2020 for the purpose of disclosure on the latest development of material litigation.

The Company's Counsel had advised to file an Application to strike out the Defendant's Counterclaim and had drafted the Application and Supporting Affidavit for Company's perusal. However, the Application can only be filed once the Supporting Affidavit is affirmed after the Movement Control Order is lifted.

We had made a conservative approach to impair RM3.5 million each in Financial Year ended 31 December 2018; Financial Year ended 31 December 2019. In the event of a positive outcome from the suit, the whole RM7.0 million will be written back.

None of the directors, major shareholders and persons connected with the directors and major shareholders of the Company has any interest, direct or indirect, in the above matter.

The Company will make further announcement if there are any material development in respect of the above matter.

B10. Dividend Payable

There was no dividend payable for the period ended 31 March 2020.

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B11. 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 Period	
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 * RM'000	Current Year-To-Date 31.03.2020 RM'000	Preceding Year-To-Date 31.03.2019 * RM'000
<u>Basic earnings/(loss) per share</u>				
Profit/(Loss) attributable to members of the Company	18,190	21,367	18,190	21,367
Weighted Average Number of Ordinary Shares ('000)	1,069,793	1,065,975	1,069,793	1,065,975
Basic earnings/(loss) per share (sen)	1.70	2.00	1.70	2.00

* Enlarged share capital due to bonus issue (without consideration) is treated as if it had occurred at the earliest presented period as to give a comparable result.

By Order of the Board
Lau Bey Ling
Leong Shiak Wan
Company Secretaries
Kuala Lumpur
Date: 20 May 2020