

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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 30 June 2001

The figures have not been audited.

**CONSOLIDATED INCOME STATEMENT**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	<u>CURRENT YEAR QUARTER 30/6/2001 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 30/6/2000 RM'000</u>	<u>CURRENT YEAR TO DATE 30/6/2001 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 30/6/2000 RM'000</u>
1 (a) Turnover	327,344	300,290	1,319,512	1,231,893
(b) Investment income	9,176	238	12,490	10,901
(c) Other income including interest income	22,598	24,333	109,046	95,852
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, income tax and minority interests	211,015	190,048	847,774	786,582
(b) Interest on borrowings	27,203	30,248	114,060	123,978
(c) Depreciation and amortisation	31,343	31,439	125,595	125,730
(d) Operating profit after interest on borrowings, depreciation, and amortisation, but before income tax and minority interests	152,469	128,361	608,119	536,874
(e) Share in the results of associated companies	258	-	258	-
(f) Profit before taxation and minority interests	152,727	128,361	608,377	536,874
(g) Taxation	43,718	38,888	169,123	153,769

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**CONSOLIDATED INCOME STATEMENT – Continued**

		<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
		<u>CURRENT YEAR QUARTER 30/6/2001 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 30/6/2000 RM'000</u>	<u>CURRENT YEAR TO DATE 30/6/2001 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 30/6/2000 RM'000</u>
(h)	(i) Profit after taxation before deducting minority interests	109,009	89,473	439,254	383,105
	(ii) Less minority interests	-	(241)	-	(243)
(i)	Profit after taxation attributable to members of the Company	109,009	89,714	439,254	383,348
(j)	Retained profits brought forward				
	As previously reported	2,107,375	1,855,000	1,777,130	1,561,366
	Prior year adjustment	(296,000)	(296,000)	(296,000)	(296,000)
	As restated	1,811,375	1,559,000	1,481,130	1,265,366
(k)	Profit available for distribution	1,920,384	1,648,714	1,920,384	1,648,714
(l)	Capitalised on redemption of preference shares by one of the subsidiaries	-	(2,800)	-	(2,800)
(m)	Dividend - proposed	-	(164,784)	-	(164,784)
	- overprovision	2,772	-	2,772	-
(n)	Retained profits carried forward	1,923,156	1,481,130	1,923,156	1,481,130
3 (a)	Earnings per share based on 2 (i) above :-				
	(i) Basic	4.87 sen	3.92 sen	19.44 sen	16.75 sen
	based on number of ordinary shares	2,237,187,461	2,288,665,353	2,259,060,517	2,288,665,353

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**CONSOLIDATED INCOME STATEMENT - Continued**

		<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
		CURRENT YEAR QUARTER 30/6/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2000 RM'000	CURRENT YEAR TO DATE 30/6/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2000 RM'000
(ii)	Fully diluted	4.87 sen =====	3.92 sen =====	19.44 sen =====	16.75 sen =====
	based on weighted average number of ordinary shares	2,237,187,461 =====	2,288,665,353 =====	2,259,060,517 =====	2,288,665,353 =====

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

**CONSOLIDATED BALANCE SHEET**

	<b>As at End of Current Quarter 30 June 2001 RM'000</b>	<b>As at Preceding Financial Year End 30 June 2000 RM'000</b>
Fixed Assets	2,676,444	2,799,150
Development Expenditure	285	31
Investment in Associated Companies	155	-
Long Term Investments	17,172	35,562
Investment, Unquoted	132,050	-
<b>Current Assets</b>		
Stocks	90,927	85,941
Trade Debtors	152,348	111,266
Short Term Investments	10,000	34,837
Fixed Deposits	3,037,048	3,050,676
Cash and Bank Balances	1,048	1,202
Other Debtors, Deposits and Prepayments	249,031	201,103
	-----	-----
	3,540,402	3,485,025
	-----	-----
<b>Current Liabilities</b>		
Short Term Borrowings	125,000	125,000
Trade Creditors	50,847	45,825
Other Creditors	107,728	92,949
Provision for Taxation	51,278	72,266
Dividends Payable	-	164,784
	-----	-----
	334,853	500,824
	-----	-----
<b>Net Current Assets</b>	3,205,549	2,984,201
	-----	-----
	6,031,655	5,818,944
	=====	=====

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**QUARTERLY REPORT**

**CONSOLIDATED BALANCE SHEET – Continued**

	<b>As at End of Current Quarter 30 June 2001 RM'000</b>	<b>As at Preceding Financial Year End 30 June 2000 RM'000</b>
Share Capital	2,288,666	2,288,665
Reserves		
Share Premium	2,041,286	2,041,285
Capital Redemption Reserve	16,200	16,200
Merger Reserves	(2,138,533)	(2,138,533)
Foreign Fluctuation Reserve	47	86
Retained Profit	1,923,156	1,481,130
Less: Treasury stock, at cost	(149,234)	-
	-----	-----
Shareholders' Funds	3,981,588	3,688,833
Minority Interests	-	-
Long Term borrowings	812,500	937,500
Bonds 2000/2007	750,000	750,000
Deferred Taxation	487,567	442,611
	-----	-----
	6,031,655	5,818,944
	=====	=====
Net Tangible Assets Per Share ( RM)	1.78	1.61
	====	====

**QUARTERLY REPORT**

**Notes :**

1. **Accounting Policies**

The quarterly financial statements have been prepared based on the same accounting policies and methods of computation adopted in the last annual financial statements save and except for the change in accounting policy with respect to the treatment of deferred taxation. With effect from the quarter ended 31 March 2001, provision for deferred taxation is made using the liability method in respect of all timing differences. Details of the change in the accounting policy are set out in Note 22.

2. **Exceptional Item**

During the current financial quarter, there was no exceptional item.

3. **Extraordinary Item**

During the current financial quarter, there was no extraordinary item.

4. **Taxation**

	<b>RM'000</b>
Current	29,248
Deferred	14,470
	-----
	43,718
	=====

5. **Pre-acquisition Profits**

There was no pre-acquisition profit included in the results of the Group for the current financial quarter.

6. **Sale of investments**

Included in the profit of the Group for the current financial year to date is profit on sale of investments amounting to RM 11.318 million.

7. **Quoted Investments**

(a) During the current financial year to date the Group disposed of RM 21.102 million of quoted shares.

**QUARTERLY REPORT**

**Notes-continued**

- (b) The cost, carrying value and the market value of the quoted investments of the Group as at end of the reporting quarter are:

	<b>RM'000</b>
Cost	17,172
Carrying value	17,172
Market value	12,514

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

There was no material change in the composition of the Group for the current financial quarter that will materially affect the financial results and state of affairs of the Group.

**9. Corporate Developments**

- a) Corporate proposal completed is as follows:

Proposed issue of between USD100-150 million principal amount of 5-year bond exchangeable into new ordinary shares of the Company ("Proposed Issue") announced on 20 April 2001 was approved by the Foreign Investment Committee, Bank Negara Malaysia and the Securities Commission on 12 June 2001, 15 June 2001 and 18 June 2001 respectively. Shareholders approval was obtained on 11 July 2001 at an Extraordinary General Meeting convened. The issue of USD150 million 2.5% Exchangeable Guaranteed Bonds Due 2006 by YTL Power Finance (Cayman) Limited, a wholly-owned subsidiary, was completed on 11 July 2001.

- b) Corporate proposal announced and pending completion is as follows:

Proposed Employees Share Option Scheme ("Proposed ESOS") announced on 2 March 2001 for employees and Executive Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation in the Proposed ESOS. The Proposed ESOS was approved by the Securities Commission on 28 June 2001 and is now pending the approval of the shareholders at an Extraordinary General Meeting to be convened.

**10. Seasonality or Cyclicity of Operations**

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

**QUARTERLY REPORT**

**Notes-continued**

**11. Changes in Share Capital**

During the current financial year, 800 ordinary shares were issued pursuant to the exercise of warrants.

As at 29 August 2001, the Company purchased 58,297,000 ordinary shares from the open market at an average price of RM2.75 per share. During the quarter ended 30 June 2001, a total of 6,252,000 shares were purchased from the open market for a total consideration of RM17,279,404.92. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares.

**12. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at end of the current financial quarter are as follows:

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Secured	125,000	812,500	937,500
Unsecured	-	750,000	750,000
	-----	-----	-----
	125,000	1,562,500	1,687,500
	=====	=====	=====

The borrowings are denominated in Ringgit Malaysia.

**13. Contingent Liabilities - Unsecured**

There were no contingent liabilities as at the date of this report.

**14. Off Balance Sheet Financial instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

**15. Pending material litigation**

There was no material litigation pending as at the date of this report.



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**QUARTERLY REPORT**

**Notes-continued**

**16. Segment Reporting**

	<b>Turnover</b>	<b>Profit Before</b>	<b>Assets</b>
	<b>RM'000</b>	<b>Taxation</b>	<b>Employed</b>
		<b>RM'000</b>	<b>RM'000</b>
Interest income, provision of Administrative & technical support Services and share investment	91,849	83,635	3,078,445
Power generation	1,227,663	524,742	3,288,178
	-----	-----	-----
	1,319,512	608,377	6,366,623
	=====	=====	=====

**17. Comparison with Preceding Quarter**

	<b>Current</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>30.6.2001</b>	<b>31.3.2001</b>
	<b>RM'000</b>	<b>RM'000</b>
Turnover	327,344	332,933
Consolidated Profit/(Loss) before taxation	152,727	144,018
Consolidated Profit/(Loss) after taxation	109,009	104,239

The decrease in turnover in the current quarter was due to less electricity sales in the quarter. The consolidated profit before taxation increased by RM 8.7 million or 6.0% over the preceding quarter largely due to the gain on disposal of investments.

**18. Review of the Results**

Group turnover increased to RM1,320 million for the period from RM1,232 million in the corresponding period. This represents an increase of RM88 million or 7.1% over the corresponding period. The Group profit before taxation increased by 13.3 % to RM608.1 million as compared to the corresponding period. The increase both in turnover and profit before taxation was largely attributable to the additional sale of electricity, pursuant to the terms of the Supplemental Power Purchase Agreement.

**19. Prospects**

Barring unforeseen circumstances, the Group is expects to achieve a satisfactory level of operating performance for the financial year ending 30 June 2002.

## **QUARTERLY REPORT**

### **Notes - Continued**

**20. Profit Forecast/Profit Guarantee**

The Group did not issue any profit forecast during the period

**21. Proposed Dividend**

**a) Cash Dividend**

The Board of Directors is pleased to recommend for the approval of shareholders a First and Final Dividend of 10% less 28% tax for the year ended 30 June 2001. The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined by the Directors at a later date.

The First and Final Dividend for the year ended 30 June 2000 was 10% less 28% tax.

**b) Share Dividend**

The Board of Directors has declared a share dividend of one (1) Treasury Share for every fifty (50) ordinary shares of RM1.00 each held at a date to be determined by the Directors. The Treasury Shares when distributed will not be entitled to the above First and Final Dividend of 10% less 28% tax recommended for the financial year ended 30 June 2001.

**c) Overprovision of Dividends**

The overprovision is in respect of dividend proposed for the financial year ended 30 June 2000 and reversed due to shares purchased and held as treasury stocks by the Company.

**22. Change in accounting policy**

During the quarter ended 31 March 2001, the Group changed its accounting policy with respect to the basis of provision for deferred taxation. In previous financial years, provisions were made in respect of all timing differences except where it was considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. The Group has changed this accounting policy to that of full provisioning. It is now the policy of the Group to make full provisions in respect of all timing differences. This change in accounting policy has been accounted for retrospectively.

The directors believe that the new accounting policy reflects a fairer presentation of the financial statements.

The retained profits brought forward under 2(j) of the Income Statement has been restated accordingly.

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**Notes - Continued**

**23. 7% Redeemable Non-Guaranteed Unsecured Bonds (“Bonds”)**

The proceeds received by the Company from the issue of the RM750 million Bonds on 11 January 2000 is currently placed under Fixed Deposits with licensed financial institutions pending investments in power generation assets.

**24. 2.5% Exchangeable Guaranteed Bonds Due 2006**

The proceeds received by YTL Power Finance (Cayman) Limited, a wholly-owned subsidiary of the Company, from the issue of the USD150 million 2.5% Exchangeable Guaranteed Bonds Due 2006 on 11 July 2001 is currently placed under Fixed Deposits with licensed financial institutions pending investments outside Malaysia.

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

**Kuala Lumpur**  
**Dated: 30 August 2001**