

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

Interim Financial Report
31 March 2015

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 March 2015.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	9 MONTHS ENDED	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
REVENUE	2,680,337	3,300,188	9,078,653	11,051,372
COST OF SALES	(2,073,132)	(2,677,216)	(7,324,621)	(9,183,743)
GROSS PROFIT	607,205	622,972	1,754,032	1,867,629
OTHER OPERATING INCOME	37,163	1,771	70,766	27,063
OTHER OPERATING EXPENSES	(182,097)	(213,080)	(473,553)	(643,910)
PROFIT FROM OPERATIONS	462,271	411,663	1,351,245	1,250,782
FINANCE COSTS	(199,033)	(188,876)	(581,891)	(581,785)
SHARE OF PROFITS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	75,661	83,167	220,707	214,337
PROFIT BEFORE TAXATION	338,899	305,954	990,061	883,334
TAXATION	(118,630)	(44,446)	(282,241)	(130,995)
PROFIT FOR THE PERIOD	220,269	261,508	707,820	752,339
ATTRIBUTABLE TO:				
Owners of the Parent	222,735	255,573	711,715	737,420
Non-Controlling Interests	(2,466)	5,935	(3,895)	14,919
	220,269	261,508	707,820	752,339
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT				
Basic (Sen)	3.17	4.07	10.26	11.21
Diluted (Sen)	3.07	3.82	9.94	10.53

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2014 RM'000	9 MONTHS ENDED	
			31.3.2015 RM'000	31.3.2014 RM'000
PROFIT FOR THE PERIOD	220,269	261,508	707,820	752,339
OTHER COMPREHENSIVE INCOME/(LOSS):				
<i>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT</i>				
REMEASUREMENT LOSS	(135,933)	-	(219,277)	-
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT</i>				
AVAILABLE-FOR-SALE RESERVE	2,052	13,940	(8,756)	39,378
HEDGING RESERVE	194,669	(38,185)	(492,166)	12,805
CURRENCY TRANSLATION DIFFERENCES	166,317	24,144	316,612	592,172
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	227,105	(101)	(403,587)	644,355
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	447,374	261,407	304,233	1,396,694
ATTRIBUTABLE TO:				
Owners of the Parent	415,615	257,457	230,857	1,367,997
Non-Controlling Interests	31,759	3,950	73,376	28,697
	447,374	261,407	304,233	1,396,694

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	31.3.2015	30.6.2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	19,933,984	19,323,668
Intangible Assets	7,283,285	6,864,070
Investments Accounted for using the Equity Method	1,756,246	1,599,869
Investments	233,790	242,517
Derivative Financial Instruments	70,546	17,315
Receivables, Deposits and Prepayments	586,810	614,884
	-----	-----
	29,864,661	28,662,323
	-----	-----
Current Assets		
Inventories	397,716	449,081
Receivables, Deposits and Prepayments	1,868,017	1,984,877
Derivative Financial Instruments	149,088	30,590
Cash and Bank Balances	9,669,983	8,958,235
	-----	-----
	12,084,804	11,422,783
	-----	-----
TOTAL ASSETS	41,949,465	40,085,106
	=====	=====
EQUITY AND LIABILITIES		
Share Capital	3,709,316	3,588,624
Reserves	7,248,163	7,562,171
Treasury Shares, at cost	(711,304)	(711,301)
	-----	-----
Equity attributable to Owners of the Parent	10,246,175	10,439,494
Non-Controlling Interests	246,016	244,231
	-----	-----
TOTAL EQUITY	10,492,191	10,683,725
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued

	UNAUDITED	AUDITED
	As at	As at
	31.3.2015	30.6.2014
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	1,947,417	1,958,946
Borrowings	21,248,451	21,457,360
Grants and Contributions	376,921	347,207
Post-employment Benefit Obligations	784,765	553,780
Derivative Financial Instruments	206,533	8,946
Payables	499,047	480,045
	-----	-----
	25,063,134	24,806,284
	-----	-----
Current Liabilities		
Payables and Accrued Expenses	2,186,914	2,282,675
Derivative Financial Instruments	454,835	20,327
Post-employment Benefit Obligations	839	1,801
Taxation	196,542	227,375
Borrowings	3,555,010	2,062,919
	-----	-----
	6,394,140	4,595,097
	-----	-----
TOTAL LIABILITIES	31,457,274	29,401,381
	-----	-----
TOTAL EQUITY AND LIABILITIES	41,949,465	40,085,106
	=====	=====
 Net Assets Per 50 Sen Share (RM) attributable to Ordinary Equity Holders of the Parent	 1.46	 1.54
	====	====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	----- Attributable to Owners of the Parent -----							
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 July 2014	3,588,624	2,106,551	(2,432,876)	(711,301)	7,888,496	10,439,494	244,231	10,683,725
Profit for the financial period	-	-	-	-	711,715	711,715	(3,895)	707,820
Other comprehensive loss for the financial period	-	-	(261,581)	-	(219,277)	(480,858)	77,271	(403,587)
Total comprehensive income for the financial period	-	-	(261,581)	-	492,438	230,857	73,376	304,233
Effects arising from changes in composition of the Group	-	-	-	-	(1,354)	(1,354)	14,413	13,059
Interim dividends paid for the financial year ended 30 June 2014	-	-	-	-	(703,431)	(703,431)	-	(703,431)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(86,004)	(86,004)
Issue of share capital	120,692	154,486	-	-	-	275,178	-	275,178
Shares repurchased	-	-	-	(3)	-	(3)	-	(3)
Provision for share options	-	-	5,434	-	-	5,434	-	5,434
Warrants reserves	-	27,485	(27,485)	-	-	-	-	-
At 31 March 2015	3,709,316	2,288,522	(2,716,508)	(711,304)	7,676,149	10,246,175	246,016	10,492,191

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

	----- Attributable to Owners of the Parent -----							Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000			
At 1 July 2013	3,669,034	3,045,330	(3,155,068)	(390,148)	6,834,896	10,004,044	284,937	10,288,981	
Effect of changes in accounting policies	-	-	5,522	-	(181,155)	(175,633)	(25)	(175,658)	
At 1 July 2013, as restated	3,669,034	3,045,330	(3,149,546)	(390,148)	6,653,741	9,828,411	284,912	10,113,323	
Profit for the financial period	-	-	-	-	737,420	737,420	14,919	752,339	
Other comprehensive income for the financial period	-	-	630,577	-	-	630,577	13,778	644,355	
Total comprehensive income for the financial period	-	-	630,577	-	737,420	1,367,997	28,697	1,396,694	
Issue of share capital	44,582	63,307	-	-	-	107,889	-	107,889	
Dividends paid to non-controlling interests	-	-	-	-	-	-	(39,218)	(39,218)	
Shares repurchased	-	-	-	(1,332,166)	-	(1,332,166)	-	(1,332,166)	
Share dividend	-	(598,763)	-	598,763	-	-	-	-	
Cancellation of shares	(125,000)	(412,250)	125,000	412,250	-	-	-	-	
Provision for share options	-	-	6,566	-	-	6,566	-	6,566	
Warrants reserves	-	8,915	(8,915)	-	-	-	-	-	
At 31 March 2014	3,588,616	2,106,539	(2,396,318)	(711,301)	7,391,161	9,978,697	274,391	10,253,088	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	CURRENT YEAR-TO-DATE 31.3.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2014 RM'000
Cash flows from operating activities		
Profit for the financial period	707,820	752,339
Adjustment for:		
Allowance for impairment of receivables (net of reversals)	57,480	100,195
Allowance for impairment of investment in associates	-	23,969
Allowance for impairment of inventories	745	21,865
Amortisation of deferred income	(3,325)	(2,414)
Amortisation of grants and contributions	(7,285)	(6,535)
Amortisation of intangible assets	53,864	33,707
Depreciation of property, plant and equipment	930,349	928,035
Interest expense	581,891	581,785
Interest income	(14,625)	(17,655)
Net gain on disposal of property, plant and equipment	(25,802)	(774)
Provision for post-employment benefit	40,647	39,858
Provision for liabilities and charges	11,660	945
Share of profits of investments accounted for using the equity method	(220,707)	(214,337)
Taxation	282,241	130,995
Unrealised (gain)/loss on foreign exchange	(17,225)	90,076
Other non-cash items	5,698	18,703
	-----	-----
	2,383,426	2,480,757
Changes in working capital:		
Inventories	76,212	18,136
Receivables, deposits and prepayments	107,359	357,035
Payables and accrued expenses	(52,698)	(414,616)
	-----	-----
Cash generated from operations	2,514,299	2,441,312
Interest paid	(605,918)	(546,547)
Payment to retirement benefit scheme	(85,058)	(86,879)
Tax paid	(344,104)	(330,458)
	-----	-----
Net cash flows from operating activities	1,479,219	1,477,428
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015 - Continued**

	CURRENT YEAR-TO-DATE 31.3.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2014 RM'000
Cash flows from investing activities		
Acquisition of subsidiary	(66,806)	-
Dividends received	213,143	242,053
Grants received	30,247	26,554
Interest received	10,815	18,739
Purchase of intangible assets	(85,447)	(51,307)
Purchase of property, plant and equipment	(1,348,532)	(1,098,683)
Proceeds from redemption of investment in loan stock	-	54,939
Proceeds from disposal of property, plant and equipment	73,898	14,099
Other investing activities	(8,326)	(5,840)
	-----	-----
Net cash flows used in investing activities	(1,181,008)	(799,446)
	-----	-----
Cash flows from financing activities		
Dividends paid	(703,431)	-
Dividends paid to non-controlling interests	(86,004)	(39,218)
Proceeds from borrowings	1,276,234	90,181
Proceeds from issue of shares	275,178	107,889
Repayment of borrowings	(619,621)	(854,824)
Repurchase of own shares	(3)	(1,332,166)
	-----	-----
Net cash flows from/(used in) financing activities	142,353	(2,028,138)
	-----	-----
Net changes in cash and cash equivalents	440,564	(1,350,156)
Effects of exchange rate changes	338,496	387,205
Cash and cash equivalents at beginning of the financial year	8,890,923	9,552,134
	-----	-----
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	9,669,983	8,589,183
	=====	=====

[Note a]

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

	RM'000	RM'000
Fixed deposits	9,255,822	8,189,792
Cash and bank balances	414,161	493,067
Bank overdrafts (included within short term borrowings in [Note B9])	-	(93,676)
	-----	-----
	9,669,983	8,589,183
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2014.

A1. Accounting Policies and Methods of Computation

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

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2014.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on or after 1 July 2014 do not have significant financial impact on the Group.

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

A2. Seasonality or Cyclicity of Operations

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

A3. Unusual Items

During the current financial quarter, there was no item of an unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A4. Changes in Estimates of Amounts Reported

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

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INTERIM FINANCIAL REPORT

Notes – continued

A5. Changes in Debt and Equity Securities

During the current financial quarter and financial year to date, the Company issued 53,950 and 241,384,838 ordinary shares of RM0.50 each, respectively, pursuant to the exercise of Warrants 2008/2018 at a weighted average exercise price of RM1.14 per share.

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

A total of 1,000 ordinary shares of RM0.50 each and 2,000 ordinary shares of RM0.50 each were repurchased from the open market for a total consideration of RM1,612 and RM3,155 for the current financial quarter and current financial year to date. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 March 2015, the number of treasury shares held was 384,264,579 ordinary shares of RM0.50 each.

Medium Term Notes of its subsidiary company amounting to RM300 million in total was fully settled during the current financial year to date.

The outstanding debts are as disclosed in Note B9.

A6. Dividends Paid

No dividend was paid during the current financial quarter.

A7. Segment Information

The Group has five reportable segments as described below:

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

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

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INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial period ended 31 March 2015:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
External Revenue	796,499	5,380,608	2,275,331	504,542	121,673	9,078,653
Inter- segment Revenue	-	-	-	624	68,743	69,367
Segment profit/(loss) before tax	185,707	251,948	665,364	(184,769)	71,811	990,061

Segment information for the financial period ended 31 March 2014:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
External Revenue	854,948	7,365,291	2,140,762	639,723	50,648	11,051,372
Inter- segment Revenue	-	-	-	435	85,314	85,749
Segment profit/(loss) before tax	157,571	424,324	591,209	(118,244)	(171,526)	883,334

A8. Events After the Interim Period

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

INTERIM FINANCIAL REPORT

Notes – continued

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following :-

- (i) On 2 June 2014, YTL Communications Sdn Bhd (“YTL Comm”), a 60%-owned subsidiary of the Company, entered into an agreement with the sellers listed in the table below (“SPA”), for the acquisition of a total 1,500,000 ordinary shares of RM1.00 each in the capital of Konsortium Jaringan Selangor Sdn Bhd (“KJS”), representing 60% of the issued and paid-up share capital of KJS, for an aggregate consideration of RM49,800,000.00 in cash subject to adjustment, if any, in accordance with the SPA:

<u>Name of Seller</u>	<u>Number of ordinary shares disposed</u>
Kumpulan Darul Ehsan Berhad	750,000
Ingres Software (M) Sdn Bhd	<u>750,000</u>
TOTAL	<u>1,500,000</u>

The SPA was completed on 1 August 2014 and consequent thereto, KJS became a subsidiary of YTL Comm and an indirect subsidiary of the Company.

On 29 January 2015, YTL Comm entered into a Share Purchase & Option Agreement with Jati Fleet Systems Sdn Bhd (“Jati Fleet”) (“SPOA”) for:

- the sale by Jati Fleet to YTL Comm 500,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid up share capital of KJS (“Sale Shares”) at RM16,600,000 only, and
- the grant to each other respectively, a Call Option (as defined in the SPOA) in favour of YTL Comm, and a Put Option (as defined in the SPOA) in favour of Jati Fleet over 500,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid up share capital of KJS (“Option Shares”) at RM33.20 only per Option Share aggregating RM16,600,000 only for all of the Option Shares,

subject to the terms and conditions set out in the SPOA.

The acquisition by YTL Comm of the Sale Shares was completed on 4 March 2015. Consequent thereto, KJS became an 80%-owned subsidiary of YTL Comm and remain an indirect subsidiary of the Company.

KJS was incorporated on 21 September 1998 and is principally engaged in the business of planning, implementation and maintenance of telecommunication towers and telecommunication related services.

INTERIM FINANCIAL REPORT

Notes – continued

(ii) PowerSeraya Limited (“PowerSeraya”), an indirect wholly-owned subsidiary of the Company, which commenced member’s voluntary winding up pursuant to Section 290(1)(b) of the Companies Act (Cap 50) of Singapore (“the Act”) on 30 June 2012, held its final meeting and lodged the Return by Liquidator relating to the final meeting (“the Return”) with the Registrar of Companies, and Official Receiver of Singapore on 23 May 2014. In accordance with the Act, PowerSeraya was dissolved on the expiration of 3 months after lodgement of the Return i.e. on 23 August 2014.

(iii) On 23 October 2014, YTL Jawa Energy B.V. (“YTL Jawa Energy”) was incorporated in the Netherlands as a wholly-owned subsidiary of YTL Jawa Power Holdings Limited (a wholly-owned subsidiary of the Company incorporated in Cyprus). As a result, YTL Jawa Energy became an indirect wholly-owned subsidiary of the Company.

YTL Jawa Energy was incorporated with an issued share capital of EUR10,000 comprising 10,000 shares with a nominal value of EUR1.00 each. YTL Jawa Energy will be principally involved in investment holding.

(iv) On 26 November 2014, Wessex Water Enterprises Limited, an indirect wholly-owned subsidiary of Wessex Water Limited and the Company, acquired the entire issued capital of 1 ordinary share of the nominal value of GBP1 in NES (South West) Limited (“NES (SW)”) from New Earth Solutions (Bristol) Limited for GBP1. As a result, NES (SW) became an indirect wholly-owned subsidiary of the Company.

NES (SW) was incorporated on 25 November 2014 in England and Wales. NES (SW) is principally involved in waste disposal.

NES (SW) changed its name to Geneco (South West) Limited on 15 January 2015.

(v) On 4 December 2014, YTL Jawa O & M Holdings Limited, a wholly-owned subsidiary of the Company incorporated in Cyprus, subscribed for the following:

- 75 shares representing 75% of the issued share capital of Attarat Operation and Maintenance Company B.V. (“Attarat O&M Co”);
- 50 shares representing 50% of the issued share capital of Attarat Mining Company B.V. (“Attarat Mining Co”)

As a result, Attarat O&M Co became an indirect subsidiary of the Company and Attarat Mining Co became a joint venture company.

Concurrently with the aforesaid subscriptions, YTL Jawa Power Holdings Limited, another wholly-owned subsidiary of the Company incorporated in Cyprus, subscribed for 30 shares representing 30% of the issued share capital of Attarat Power Holding Company B.V. (“Attarat Power Holding”). As a result, Attarat Power Holding became an associated company of YTL Jawa Power Holdings Limited and the Company.

INTERIM FINANCIAL REPORT

Notes – continued

Attarat O&M Co, Attarat Mining Co and Attarat Power Holding were incorporated in the Netherlands on 4 December 2014, each with an issued share capital of USD100 comprising 100 shares with a nominal value of USD1.00 each.

Attarat O&M Co, Attarat Mining Co and Attarat Power Holding will be principally involved in operating and maintaining power plants, mining activities, and investment holding, respectively.

- (vi) On 15 December 2014, Frog Education Limited (formerly known as Frogtrade Limited) (“Frog Ed”), a 57.6%-owned subsidiary of YTL Power Investments Limited (“YTLPIIL”) (an indirect wholly-owned subsidiary of the Company), entered into a Share Exchange Agreement with all the other shareholders of Frog Ed (holding the remaining 42.4% of the issued and paid up capital of Frog Ed not held by Frog Ed) (“Other Shareholders”) (YTLPIIL and Other Shareholders collectively referred to as the “Shareholders”) whereby Frog Ed is re-organised via the transfer of the Shareholders’ existing shareholdings in Frog Ed to Frog Education Group Limited (“Frog Ed Grp”) in exchange for the issue of shares in the capital of Frog Ed Grp of the same number and class and therefore, in the same proportion, as the Shareholders hold in Frog Ed (“Re-organisation”).

As a result of the Re-organisation,

- Frog Ed became a wholly-owned subsidiary of Frog Ed Grp;
- Frog Ed Grp became a subsidiary of YTLPIIL and indirect subsidiary of YTL Power;
- Frog Ed remains effectively, a 57.6%-owned subsidiary of YTL Power.

Frog Ed Grp and Frog Ed were incorporated in England & Wales on 6 June 2014 and on 28 February 2000, respectively. Frog Ed Grp is an investment holding company whilst Frog Ed is principally involved in the business of providing internet services, including the development and provision of education learning platforms.

- (vii) On 18 December 2014, Frog Ed Grp completed the acquisition of 980 ordinary shares, representing 49% of the issued and paid-up share capital (being the remaining equity stake not held by Frog Ed) of I Education Ltd for a total consideration of £980,000 satisfied via the payment of £530,094.92 in cash and £449,905.08 by the issue of 3,846 (non-voting) B Ordinary Shares in Frog Ed Grp.

As a result, I Education Ltd became an indirect 100% subsidiary of Frog Ed Grp and remains an indirect subsidiary of the Company.

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- (viii) On 4 February 2015, YTL Comm acquired/subscribed for a total 4,000,000 ordinary shares, representing 80% of the issued and paid-up share capital of YTL Broadband Sdn Bhd (formerly known as Y Concept Sdn Bhd) (“YTL Broadband”) at par value of RM1.00 per ordinary share. As a result, YTL Broadband became a subsidiary of YTL Comm and an indirect subsidiary of the Company.

YTL Broadband was incorporated on 11 December 2007 and presently has an authorized share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each. YTL Broadband will be principally involved in the marketing or sale of fibre broadband services to homes and businesses.

A10. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2014.

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A11. Fair value measurement

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

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

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

	Level 1 RM’000	Level 2 RM’000	Total RM’000
31.3.2015			
Assets			
Financial assets at fair value through profit or loss:			
- Trading derivatives	-	24,531	24,531
- Inventories held for trading	-	8,366	8,366
Available-for-sale	51,790	182,000	233,790
Derivatives used for hedging	-	195,103	195,103
Total assets	<u>51,790</u>	<u>410,000</u>	<u>461,790</u>
Liabilities			
Financial liabilities at fair value through profit or loss:			
- Trading derivatives	-	40,392	40,392
Derivatives used for hedging	-	620,976	620,976
Total liabilities	<u>-</u>	<u>661,368</u>	<u>661,368</u>

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

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Cumulative Quarter	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Revenue				
Power generation (Contracted)	278,107	279,864	796,499	854,948
Multi utilities business (Merchant)	1,442,149	2,077,823	5,380,608	7,365,291
Water & sewerage	767,181	732,912	2,275,331	2,140,762
Mobile broadband network	152,637	194,082	504,542	639,723
Investment holding activities	40,263	15,507	121,673	50,648
	<u>2,680,337</u>	<u>3,300,188</u>	<u>9,078,653</u>	<u>11,051,372</u>
Profit/(Loss) before taxation				
Power generation (Contracted)	66,714	48,428	185,707	157,571
Multi utilities business (Merchant)	83,779	107,228	251,948	424,324
Water & sewerage	232,275	199,330	665,364	591,209
Mobile broadband network	(56,856)	(40,368)	(184,769)	(118,244)
Investment holding activities	12,987	(8,664)	71,811	(171,526)
	<u>338,899</u>	<u>305,954</u>	<u>990,061</u>	<u>883,334</u>

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM2,680.3 million for the current financial quarter ended 31 March 2015 as compared to RM3,300.2 million recorded in the preceding year corresponding quarter ended 31 March 2014. The Group profit before taxation for the current financial quarter was RM338.9 million, an increase of RM32.9 million or 10.8% as compared to a profit of RM306.0 million recorded in the preceding year corresponding quarter. The decrease in revenue was principally attributable to lower revenue recorded in the segment of multi utilities business.

Performance of the respective operating business segments for the quarter ended 31 March 2015 as compared to the preceding year corresponding quarter is analysed as follows:

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Power generation (Contracted)

The profit before taxation increased as no provision was required on impairment of inventories and receivable for the current quarter and depreciation charges were lower as compared to the preceding year corresponding quarter.

Multi utilities business (Merchant)

The decrease in revenue and profit before taxation were mainly due to lower units of electricity sold, coupled with lower price from retail contracts. In addition, fuel oil trading also recorded lower revenue and profit.

Water & sewerage

The increase in revenue and profit before taxation was due to the increase in price as allowed by the regulator.

Mobile broadband network

The decrease in revenue and profit before taxation was mainly due to lower sales recorded from Projects in the current quarter.

Investment holding activities

The higher revenue and profit before taxation recorded in this segment was mainly due to unrealised foreign exchange gain, higher interest income and lower development cost incurred as compared to the preceding year corresponding quarter.

b) Current Year to date vs Preceding Year to date

Group revenue was RM9,078.7 million for the current financial period ended 31 March 2015 as compared to RM11,051.4 million recorded in the preceding financial period ended 31 March 2014. The Group profit before taxation for the current financial period was RM990.1 million, an increase of RM106.8 million or 12.1% as compared to RM883.3 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the period ended 31 March 2015 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Power generation (Contracted)

The decrease in revenue was principally due to lower generation of electricity sales as a result of rescheduling of generation program requested by the buyer. The profit before taxation increased as no provision was required on impairment of inventories and receivable for the current period and depreciation charges were lower as compared to the preceding year corresponding period.

Multi utilities business (Merchant)

The lower revenue is principally due to lower units of electricity sold coupled with lower electricity price as a result of lower fuel oil price. The lower profit before taxation is mainly due to lower vesting non-fuel margin and volume, coupled with lower margin from retail contract.

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Investment holding activities

The increase in revenue and profit before taxation were principally due to unrealised foreign exchange gain, increase in share of profit of associate and lower development cost incurred in the current financial period.

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2015 RM'000	Preceding Quarter 31.12.2014 RM'000
Revenue	2,680,337	3,039,606
Consolidated profit before taxation	338,899	348,289
Consolidated profit after taxation	220,269	250,014

The decrease in revenue and Group profit after taxation as compared to preceding quarter was principally attributable to lower sales and non-fuel margin recorded by the multi utilities business (merchant).

B3. Prospects

Power generation (Contracted)

YTL Power Generation is expected to perform satisfactorily in the current financial year as it operates under a regulatory regime.

Multi utilities business (Merchant)

The increase in generation capacity into the electricity market of Singapore would add pressure to both margin and sales volume for the current financial year. Nevertheless, this segment would continue to strive to diversify beyond their core business into integrated multi-utilities energy platform with focus on customer service.

Water & sewerage

The Company operates under strict regulatory regime and has met all of its regulatory targets and is top of the regulator's league table for customer service. Hence, the management is confident of delivering its 2010-15 regulatory outperformance target. The Company has a long term planning horizon to ensure that water resources are going to be available in the future.

Mobile broadband network

Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue by introducing improved and innovative services to the market.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial year.

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B5. Audit Report of the preceding financial year ended 30 June 2014

The Auditors' Report on the financial statements of the financial year ended 30 June 2014 did not contain any qualification.

B6. Profit for the period

	Current Year Quarter 31.3.2015 RM'000	Current Year To Date 31.3.2015 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of receivables (net of reversal)	19,272	57,480
Amortisation of deferred income	(1,193)	(3,325)
Amortisation of grant and contributions	(2,448)	(7,285)
Amortisation of intangible assets	20,739	53,864
Depreciation of property, plant and equipment	317,869	930,349
Gain on foreign exchange	(6,482)	(17,274)
Interest income	(6,435)	(14,625)
Interest expense	199,033	581,891
Net gain on disposal of property, plant and equipment	(18,409)	(25,802)
Provision for liabilities and charges	5,740	11,660
(Write back)/Allowance for impairment of inventories	(15)	745
	=====	=====

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

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B7. Taxation

	Current Year Quarter 31.3.2015 RM'000	Current Year To Date 31.3.2015 RM'000
In respect of current period/year		
- Income Tax	121,541	266,798
- Deferred Tax	(13,733)	4,621
In respect of prior period/year		
- Income Tax	10,822	10,822
	----- 118,630 =====	----- 282,241 =====

The higher effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date is mainly attributable to non-deductibility of certain expenses for tax purposes, temporary deductible differences not recognised and under provision of income tax in respect of prior year.

B8. Corporate Proposals

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

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B9. Group Borrowings and Debt Securities

The Group's borrowings from financial institutions as at 31 March 2015 are as follows:

	Short term		Long term		Total RM'000
	Bonds RM'000	Borrowings RM'000	Bonds RM'000	Borrowings RM'000	
Secured	-	19,879	-	29,892	49,771
Unsecured	-	3,535,131	13,317,725	7,900,834	24,753,690
Total	-	3,555,010	13,317,725	7,930,726	24,803,461

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

In US Dollar ('000)	399,568
In Sterling Pound ('000)	1,896,062
In Singapore Dollar ('000)	2,640,331

All borrowings of subsidiaries are on a non-recourse basis to the Company save and except for the following which is guaranteed by the Company:

- USD200 million term loan due on 30 June 2015.
- USD200 million term loan due on 17 December 2015.
- RM300 million revolving credit due on 22 May 2015.
- RM200 million revolving credit due on 22 May 2015.
- RM200 million revolving credit due on 29 May 2015.
- RM200 million revolving credit due on 5 June 2015.

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

(a) Derivative Financial Instruments

As at 31 March 2015, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,592,038	1,174,180
- 1 year to 3 years	708,978	524,794
- More than 3 years	68,762	50,825
<u>Currency forwards</u>		
- Less than 1 year	1,703,237	1,814,842
- 1 year to 3 years	783,847	842,104
- More than 3 years	93,064	100,941

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

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

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

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(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 March 2015 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current year quarter 3 months to 31.3.2015	Current year to date 9 months to 31.3.2015
			RM'000	RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved (unfavourably against)/in favour of the Group	(15,508)	38,073
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of / (unfavourably against) the Group	21,466	(200,387)
Total			5,958	(162,314)

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(c) Realised and Unrealised Profits or Losses

	As at 31.3.2015 RM'000	Audited As at 30.6.2014 RM'000
Retained earnings/(Accumulated losses) of the Group		
- Realised	7,031,092	7,406,130
- Unrealised	(449,527)	(513,558)
	----- 6,581,565	----- 6,892,572
Retained earnings/(Accumulated losses) from associated companies		
- Realised	696,491	681,121
- Unrealised	(145,205)	(145,205)
	----- 551,286	----- 535,916
Consolidation adjustments	543,298	460,008
	-----	-----
Total Group retained earnings as per consolidated accounts	7,676,149 =====	7,888,496 =====

B11. Pending Material Litigation

- (a) A subsidiary of the Group has commenced arbitration against a gas supplier for recovery of sums over-invoiced by the gas supplier under the Agreement for the Sale and Purchase of Dry Gas dated 15 March 1993.

A Notice of Arbitration was issued on 31 March 2014 and evidential hearings were completed on 6 March 2015.

The Board has been advised that there is more than a reasonable prospect that the amount of RM292.9 million (as recorded in the books of the subsidiary as owing to the subsidiary as at 31 March 2015) would be recoverable in the pending arbitration proceedings against the supplier. However, the final amount recoverable would be subject to determination in the pending arbitration proceedings.

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(b) On 19 December 2014, a subsidiary of the Group filed proceedings in court against two related customers for damages for breach of contract amounting to SGD29.4 million, interest and other costs. The damages for breach of contract were subsequently revised to SGD 32.7 million on 4 March 2015.

The customers have filed their defence and counterclaim and the matter is now awaiting trial.

B12. Dividend

No dividend has been declared for the current financial quarter.

B13. Earnings Per Share

i) Basic Earnings Per 50 sen Share

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

	Current Year Quarter 31.3.2015	Preceding Year Corresponding Quarter 31.3.2014
Profit attributable to Owners of the Parent (RM'000)	222,735 =====	255,573 =====
Weighted average number of ordinary shares ('000)	7,034,351 =====	6,285,359 =====
Basic earnings per share (Sen)	3.17 =====	4.07 =====

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ii) Diluted Earnings Per 50 sen Share

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

	Current Year Quarter 31.3.2015	Preceding Year Corresponding Quarter 31.3.2014
Profit attributable to Owners of the Parent (RM'000)	222,735 =====	255,573 =====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	7,034,351	6,285,359
Effect of unexercised Warrants 2008/2018	216,939	379,262
Effect of unexercised ESOS	4,995	21,345
	----- 7,256,285 =====	----- 6,685,966 =====
Diluted earnings per share (Sen)	3.07 =====	3.82 =====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS is RM1,145.2 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM1,145.2 million resulting in a decrease in NA per share of RM0.03. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 21 May 2015