

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

Interim Financial Report
30 June 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 year ended 30 June 2015.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2014 RM'000	CUMULATIVE QUARTER 12 MONTHS ENDED 30.6.2015 30.6.2014 RM'000 RM'000	
REVENUE	2,847,250	3,385,234	11,925,903	14,436,606
COST OF SALES	(2,224,195)	(2,734,714)	(9,548,816)	(11,918,457)
GROSS PROFIT	623,055	650,520	2,377,087	2,518,149
OTHER OPERATING INCOME	17,985	12,384	88,751	39,447
OTHER OPERATING EXPENSES	(231,504)	(240,938)	(705,057)	(884,848)
PROFIT FROM OPERATIONS	409,536	421,966	1,760,781	1,672,748
FINANCE COSTS	(235,908)	(214,242)	(817,799)	(796,027)
SHARE OF PROFITS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	66,885	35,536	287,592	249,873
PROFIT BEFORE TAXATION	240,513	243,260	1,230,574	1,126,594
TAXATION	(43,080)	213,148	(325,321)	82,153
PROFIT FOR THE PERIOD/YEAR	197,433	456,408	905,253	1,208,747
ATTRIBUTABLE TO:				
Owners of the Parent	189,438	464,994	901,153	1,202,414
Non-Controlling Interests	7,995	(8,586)	4,100	6,333
	197,433	456,408	905,253	1,208,747
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT				
Basic (Sen)	2.69	7.11	12.95	18.30
Diluted (Sen)	2.60	6.86	12.53	17.35

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.

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

	INDIVIDUAL QUARTER PRECEDING		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2015 RM'000	YEAR CORRESPONDING QUARTER 30.6.2014 RM'000	12 MONTHS ENDED	
			30.6.2015 RM'000	30.6.2014 RM'000
PROFIT FOR THE PERIOD/YEAR	197,433	456,408	905,253	1,208,747
OTHER COMPREHENSIVE INCOME/(LOSS):				
<i>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT</i>				
REMEASUREMENT GAIN/(LOSS)	115,429	51,679	(103,848)	51,679
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT</i>				
AVAILABLE-FOR-SALE RESERVE	42,229	7,159	33,473	46,537
HEDGING RESERVE	148,063	6,333	(344,103)	19,138
CURRENCY TRANSLATION DIFFERENCES	620,551	(60,882)	937,163	531,290
	-----	-----	-----	-----
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX	926,272	4,289	522,685	648,644
	-----	-----	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	1,123,705	460,697	1,427,938	1,857,391
	=====	=====	=====	=====
ATTRIBUTABLE TO:				
Owners of the Parent	1,103,928	478,073	1,334,785	1,846,070
Non-Controlling Interests	19,777	(17,376)	93,153	11,321
	-----	-----	-----	-----
	1,123,705	460,697	1,427,938	1,857,391
	=====	=====	=====	=====

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
	30.6.2015	30.6.2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	22,011,679	19,323,668
Intangible Assets	7,556,025	6,864,070
Investments Accounted for using the Equity Method	1,807,837	1,599,869
Investments	276,418	242,517
Derivative Financial Instruments	41,278	17,315
Receivables, Deposits and Prepayments	299,198	614,884
	-----	-----
	31,992,435	28,662,323
	-----	-----
Current Assets		
Inventories	444,517	449,081
Receivables, Deposits and Prepayments	2,304,340	1,984,877
Derivative Financial Instruments	84,903	30,590
Cash and Bank Balances	9,517,782	8,958,235
	-----	-----
	12,351,542	11,422,783
	-----	-----
TOTAL ASSETS	44,343,977	40,085,106
	=====	=====
EQUITY AND LIABILITIES		
Share Capital	3,710,825	3,588,624
Reserves	8,355,954	7,562,171
Treasury Shares, at cost	(711,304)	(711,301)
	-----	-----
Equity attributable to Owners of the Parent	11,355,475	10,439,494
Non-Controlling Interests	237,522	244,231
	-----	-----
TOTAL EQUITY	11,592,997	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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued

	UNAUDITED	AUDITED
	As at	As at
	30.6.2015	30.6.2014
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	2,117,657	1,958,946
Borrowings	23,424,000	21,457,360
Grants and Contributions	1,348,336	347,207
Post-employment Benefit Obligations	743,325	553,780
Derivative Financial Instruments	133,296	8,946
Payables	523,779	480,045
	-----	-----
	28,290,393	24,806,284
	-----	-----
Current Liabilities		
Payables and Accrued Expenses	2,192,300	2,282,675
Derivative Financial Instruments	304,263	20,327
Post-employment Benefit Obligations	2,025	1,801
Taxation	143,338	227,375
Borrowings	1,818,661	2,062,919
	-----	-----
	4,460,587	4,595,097
	-----	-----
TOTAL LIABILITIES	32,750,980	29,401,381
	-----	-----
TOTAL EQUITY AND LIABILITIES	44,343,977	40,085,106
	=====	=====
Net Assets Per 50 Sen Share (RM) attributable to Ordinary Equity Holders of the Parent	1.61	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 YEAR ENDED 30 JUNE 2015**

	----- Attributable to Owners of the Parent -----					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Shares RM'000	Retained Earnings 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 year	-	-	-	-	901,153	901,153	4,100	905,253
Other comprehensive income for the financial year	-	-	537,480	-	(103,848)	433,632	89,053	522,685
Total comprehensive income for the financial year	-	-	537,480	-	797,305	1,334,785	93,153	1,427,938
Effects arising from changes in composition of the Group	-	-	-	-	(1,062)	(1,062)	13,979	12,917
Interim dividends paid for the financial year ended 30 June 2014	-	-	-	-	(703,431)	(703,431)	-	(703,431)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(113,841)	(113,841)
Issue of share capital	122,201	156,417	-	-	-	278,618	-	278,618
Shares repurchased	-	-	-	(3)	-	(3)	-	(3)
Provision for share options	-	-	7,074	-	-	7,074	-	7,074
Share option lapsed	-	-	(22)	-	22	-	-	-
Warrants reserves	-	27,787	(27,787)	-	-	-	-	-
At 30 June 2015	3,710,825	2,290,755	(1,916,131)	(711,304)	7,981,330	11,355,475	237,522	11,592,997

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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	----- Attributable to Owners of the Parent -----					Total RM'000	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			
At 1 July 2013	3,669,034	3,045,330	(3,149,546)	(390,148)	6,634,403	9,809,073	284,912	10,093,985
Profit for the financial year	-	-	-	-	1,202,414	1,202,414	6,333	1,208,747
Other comprehensive income for the financial year	-	-	591,977	-	51,679	643,656	4,988	648,644
Total comprehensive income for the financial year	-	-	591,977	-	1,254,093	1,846,070	11,321	1,857,391
Goodwill impairment	-	-	-	-	-	-	5,290	5,290
Issue of share capital	44,590	63,317	-	-	-	107,907	-	107,907
Dividends paid to non-controlling interests	-	-	-	-	-	-	(57,292)	(57,292)
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	-	-	8,610	-	-	8,610	-	8,610
Warrants reserve	-	8,917	(8,917)	-	-	-	-	-
At 30 June 2014	3,588,624	2,106,551	(2,432,876)	(711,301)	7,888,496	10,439,494	244,231	10,683,725

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 YEAR ENDED 30 JUNE 2015**

	CURRENT YEAR-TO-DATE 30.6.2015 RM'000	PRECEDING YEAR ENDED 30.6.2014 RM'000
Cash flows from operating activities		
Profit for the financial year	905,253	1,208,747
Adjustment for:		
Allowance for impairment of receivables (net of reversals)	62,663	119,693
Allowance for impairment of investment in associates	-	23,938
Allowance for impairment of property, plant and equipment	524	54,695
Allowance for impairment of intangible assets	-	13,224
Amortisation of deferred income	(1,574)	(3,399)
Amortisation of grants and contributions	(8,468)	(9,757)
Amortisation of intangible assets	70,892	47,776
Depreciation of property, plant and equipment	1,364,534	1,264,726
Interest expense	817,799	796,027
Interest income	(26,126)	(23,092)
Net gain on disposal of property, plant and equipment	(26,675)	(3,625)
Provision for post-employment benefit	66,829	61,197
Provision for liabilities and charges	13,240	2,542
Share of profits of investments accounted for using the equity method	(287,592)	(249,873)
Taxation	325,321	(82,153)
Unrealised (gain)/loss on foreign exchange	(11,321)	76,197
Write back of impairment of inventories	(928)	(1,186)
Other non-cash items	25,475	19,107
	-----	-----
	3,289,846	3,314,784
Changes in working capital:		
Inventories	48,458	48,628
Receivables, deposits and prepayments	95,526	236,346
Payables and accrued expenses	(176,212)	(353,153)
	-----	-----
Cash generated from operations	3,257,618	3,246,605
Interest paid	(727,617)	(663,851)
Payment for provision and liabilities	(5,010)	(1,298)
Payment to retirement benefit scheme	(99,250)	(98,663)
Tax paid	(450,853)	(329,930)
	-----	-----
Net cash flows from operating activities	1,974,888	2,152,863
	-----	-----

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 - Continued**

	CURRENT YEAR-TO-DATE 30.6.2015 RM'000	PRECEDING YEAR ENDED 30.6.2014 RM'000
Cash flows from investing activities		
Acquisition of subsidiaries	(66,523)	-
Dividends received	290,470	300,349
Grants received	141,798	33,766
Interest received	16,237	21,323
Purchase of intangible assets	(91,317)	(74,308)
Purchase of property, plant and equipment	(1,795,706)	(1,467,745)
Proceeds from redemption of investment in loan stock	-	55,635
Proceeds from disposal of property, plant and equipment	76,721	61,496
Other investing activities	(13,673)	(7,942)
	-----	-----
Net cash flows used in investing activities	(1,441,993)	(1,077,426)
	-----	-----
Cash flows from financing activities		
Dividends paid	(703,431)	-
Dividends paid to non-controlling interests	(113,841)	(57,292)
Proceeds from borrowings	2,311,235	241,423
Proceeds from issue of shares	278,618	107,907
Repayment of borrowings	(2,357,940)	(1,025,614)
Repurchase of own shares	(3)	(1,332,166)
	-----	-----
Net cash flows used in financing activities	(585,362)	(2,065,742)
	-----	-----
Net changes in cash and cash equivalents	(52,467)	(990,305)
Effects of exchange rate changes	679,326	329,094
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 year <i>[Note a]</i>	9,517,782	8,890,923
	=====	=====

[Note a]

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

	RM'000	RM'000
Fixed deposits	9,358,025	8,342,360
Cash and bank balances	159,757	615,875
Bank overdrafts	-	(67,312)
(included within short term borrowings in [Note B9])		
	-----	-----
	9,517,782	8,890,923
	=====	=====

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 3,017,350 and 244,402,188 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 2,000 ordinary shares of RM0.50 each were repurchased from the open market for a total consideration of RM3,155 for the 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 30 June 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

The following dividends were paid during the financial year under review.

An interim single tier dividend of 20% or 10 sen per ordinary share of 50 sen each amounting to RM703,430,745 in respect of the financial year ended 30 June 2014 was paid on 14 November 2014.

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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YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial year ended 30 June 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	1,071,396	6,948,842	3,044,596	693,186	167,883	11,925,903
Inter- segment Revenue	-	-	-	1,125	97,346	98,471
Segment profit/(loss) before tax	189,768	305,559	905,099	(236,865)	67,013	1,230,574

Segment information for the financial year ended 30 June 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	1,184,019	9,408,620	2,896,356	823,828	123,783	14,436,606
Inter- segment Revenue	-	-	-	637	105,564	106,201
Segment profit/(loss) before tax	185,265	494,307	823,710	(193,128)	(183,560)	1,126,594

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><u>1,500,000</u></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.

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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 17 December 2014, YTL Power Investments Limited (“YTLPIIL”), an indirect wholly-owned subsidiary of the Company, and immediate holding company of Frog Education Limited (“Frog Ed”), entered into an agreement with all the other shareholders of Frog Ed (holding the remaining 42.4% of the issued and paid up capital of 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 the Company;
- Frog Ed remained effectively, a 57.6%-owned subsidiary of the Company.

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 (“I Ed”) 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.

On 23 April 2015, Frog Ed transferred all its shares in I Ed comprising 1,020 ordinary shares of 5 pence each and representing 51% of the issued and paid-up share capital of I Ed (“Asset”), to Frog Ed Grp, the holding company of Frog Ed and an indirect subsidiary of the Company, by way of a dividend in specie declaration by Frog Ed on the Asset to Frog Ed Grp. As a result, I Ed became a direct wholly-owned subsidiary of Frog Ed Grp and remains an indirect subsidiary of the Company.

I Ed was incorporated in England & Wales on 12 March 2007 and is principally involved in educational media and information technology software.

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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.

- (ix) On 26 June 2015, as part of a further inter-company re-organisation, the Company entered into a sale and purchase agreement (“SPA”) with YTL Power Generation Sdn Bhd (“YTLPG”), a wholly-owned subsidiary of the Company, for the acquisition of 3 ordinary shares of GBP1.00 each and 45,000 ordinary shares of USD1.00 each, representing the entire issued and paid-up share capital of YTL Utilities Limited (“YTL Utilities”) from YTLPG, for a consideration of RM9,000,000,000 subject to the terms and conditions set out in the SPA.

The SPA was completed on 30 June 2015. As a result, YTL Utilities became a direct subsidiary of the Company.

YTL Utilities was incorporated in the Cayman Islands on 8 February 2002 and is principally involved in investment holding.

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
30.6.2015			
Assets			
Financial assets at fair value through profit or loss:			
- Trading derivatives	-	5,501	5,501
- Inventories held for trading	-	-	-
Available-for-sale	51,171	225,247	276,418
Derivatives used for hedging	-	120,680	120,680
Total assets	51,171	351,428	402,599
Liabilities			
Financial liabilities at fair value through profit or loss:			
- Trading derivatives	-	17,818	17,818
Derivatives used for hedging	-	419,741	419,741
Total liabilities	-	437,559	437,559

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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	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Revenue				
Power generation (Contracted)	274,897	329,071	1,071,396	1,184,019
Multi utilities business (Merchant)	1,568,234	2,043,329	6,948,842	9,408,620
Water & sewerage	769,265	755,594	3,044,596	2,896,356
Mobile broadband network	188,644	184,105	693,186	823,828
Investment holding activities	46,210	73,135	167,883	123,783
	<u>2,847,250</u>	<u>3,385,234</u>	<u>11,925,903</u>	<u>14,436,606</u>
Profit/(Loss) before taxation				
Power generation (Contracted)	4,061	27,694	189,768	185,265
Multi utilities business (Merchant)	53,611	69,983	305,559	494,307
Water & sewerage	239,735	232,501	905,099	823,710
Mobile broadband network	(52,096)	(74,884)	(236,865)	(193,128)
Investment holding activities	(4,798)	(12,034)	67,013	(183,560)
	<u>240,513</u>	<u>243,260</u>	<u>1,230,574</u>	<u>1,126,594</u>

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM2,847.3 million for the current financial quarter ended 30 June 2015 as compared to RM3,385.2 million recorded in the preceding year corresponding quarter ended 30 June 2014. The Group profit before taxation for the current financial quarter was RM240.5 million, a decrease of RM2.7 million or 1.1% as compared to a profit of RM243.3 million recorded in the preceding year corresponding quarter. The decrease in revenue was principally attributable to lower revenue recorded in the multi utilities segment.

Performance of the respective operating business segments for the quarter ended 30 June 2015 as compared to the preceding year corresponding quarter is analysed as follows:

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Power generation (Contracted)

The decrease in revenue and profit before taxation was principally due to lower generation of electricity sales and a higher depreciation charge partly offset by provision of impairment of inventories in preceding corresponding quarter no longer required.

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 lower operating cost and the weakening of Ringgit Malaysia against Great Britain Pound.

Mobile broadband network

The improvement in loss before taxation was mainly due lower operating cost incurred.

Investment holding activities

The lower revenue recorded in this segment was mainly due to lower interest income. The improvement in loss before taxation was mainly attributable to lower development expenditure incurred in the current quarter.

b) Current Year to date vs Preceding Year to date

Group revenue was RM11,925.9 million for the current financial year ended 30 June 2015 as compared to RM14,436.6 million recorded in the preceding financial year ended 30 June 2014. The Group profit before taxation for the current financial year was RM1,230.6 million, an increase of RM104.0 million or 9.2% as compared to RM1,126.6 million recorded in the preceding year.

Performance of the respective operating business segments for the year ended 30 June 2015 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Water & sewerage

The increase in revenue and profit before taxation was due to the weakening of Ringgit Malaysia against Great Britain Pound

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.

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 higher interest income in the current financial year.

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B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2015 RM'000	Preceding Quarter 31.3.2015 RM'000
Revenue	2,847,250	2,680,337
Consolidated profit before taxation	240,513	338,899
Consolidated profit after taxation	197,433	220,269

The decrease in Group profit before taxation and Group profit after taxation as compared to preceding quarter was principally attributable to a higher depreciation charge in the segment of power generation (Contracted) and lower margin recorded in the multi utilities business (Merchant).

B3. Prospects

Power generation (Contracted)

The current power purchase agreement will be expiring on 30 September 2015. YTL Power Generation Sdn Bhd has been selected as a successful bidder for supply of power from the existing facility in Paka under the short term capacity bid called by the Malaysian Energy Commission. The discussion on the terms and conditions is currently ongoing and on completion, a new Power Purchase Agreement is expected to be signed for the period from 1st March 2016 to 31st December 2018.

Multi utilities business (Merchant)

The excess generation capacity in the electricity market of Singapore coupled with lower vesting volumes, would continue to add pressure to both margins and sales volume for the next financial year. Nevertheless, this segment would continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

Water & sewerage

The 2015-20 price determination by the water industry regulator Ofwat is challenging in that there will be reduction in both prices charged to customers and return on cost of capital. However, Wessex Water which operates under a strict regulatory regime has met all of its regulatory targets and is at the top of the regulator's league table for customer service. Hence, management is confident of delivering its 2015-20 regulatory outperformance target.

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.

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B4. Profit Forecast

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

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/year

	Current Year Quarter 30.6.2015 RM'000	Current Year To Date 30.6.2015 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of receivables (net of reversal)	5,183	62,663
Allowance for impairment of property, plant and equipment	524	524
Amortisation of grant and contributions	(1,183)	(8,468)
Amortisation of intangible assets	17,028	70,892
Depreciation of property, plant and equipment	434,185	1,364,534
Gain on foreign exchange	(479)	(17,753)
Interest income	(11,501)	(26,126)
Interest expense	235,908	817,799
Net gain on disposal of property, plant and equipment	(873)	(26,675)
Provision for liabilities and charges	1,580	13,240
Write back /(Amortisation) of deferred income	1,751	(1,574)
Write back of impairment of inventories	(913)	(928)
	=====	=====

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

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B7. Taxation

	Current Year Quarter 30.6.2015 RM'000	Current Year To Date 30.6.2015 RM'000
In respect of current period/year		
- Income Tax	57,787	324,585
- Deferred Tax	(15,461)	(10,840)
In respect of prior period/year		
- Income Tax	754	11,576
	-----	-----
	43,080	325,321
	=====	=====

The effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter is lower whereas that of the financial year to date is higher mainly due to income subjected to different tax jurisdictions and expenses not deductible for tax purposes, partially offset by income not subjected to tax.

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 30 June 2015 are as follows:

	Short term		Long term		Total RM'000
	Bonds RM'000	Borrowings RM'000	Bonds RM'000	Borrowings RM'000	
Secured	-	19,865	-	23,266	43,131
Unsecured	-	1,798,796	14,061,070	9,339,664	25,199,530
	-----	-----	-----	-----	-----
Total	-	1,818,661	14,061,070	9,362,930	25,242,661
	=====	=====	=====	=====	=====

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

In US Dollar ('000)	399,750
	=====
In Sterling Pound ('000)	1,946,014
	=====
In Singapore Dollar ('000)	2,265,504
	=====

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 17 December 2015.
- USD200 million term loan due on 28 May 2020.
- RM300 million revolving credit due on 21 August 2015.
- RM200 million revolving credit due on 21 August 2015.
- RM200 million revolving credit due on 28 August 2015.
- RM200 million revolving credit due on 7 September 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 30 June 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	1,482,446	1,198,922
- 1 year to 3 years	610,925	492,694
- More than 3 years	31,102	24,149
<u>Currency forwards</u>		
- Less than 1 year	1,428,247	1,491,618
- 1 year to 3 years	692,218	723,050
- More than 3 years	56,731	59,066

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 year ended 30 June 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 30.6.2015	Current year to date 12 months to 30.6.2015
			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	(34,356)	3,717
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	176,905	(23,482)
Total			142,549	(19,765)

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(c) Realised and Unrealised Profits or Losses

	As at 30.6.2015 RM'000	Audited As at 30.6.2014 RM'000
Retained earnings/(Accumulated losses) of the Group		
- Realised	7,290,794	7,406,130
- Unrealised	(407,653)	(513,558)
	----- 6,883,141	----- 6,892,572
Retained earnings/(Accumulated losses) from associated companies		
- Realised	693,787	681,121
- Unrealised	(160,226)	(145,205)
	----- 533,561	----- 535,916
Consolidation adjustments	564,628	460,008
	-----	-----
Total Group retained earnings as per consolidated accounts	7,981,330 =====	7,888,496 =====

B11. Pending Material Litigation

- (a) Subsequent to year end, an award was issued in favour of a subsidiary of the Group in arbitration proceedings 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. On 29 July 2015 the gas supplier filed an Originating Summons to set aside or to vary the award under the relevant provisions of the Arbitration Act 2005, which is pending. The subsidiary will be challenging the Originating Summons following advice from its solicitors that there are no merits in the application.
- (b) During the financial year, a foreign subsidiary of the Group has filed proceedings in court against two related customers for damages for breach of contract. The customers have filed their defence and counter claim and the matter is now awaiting trial.

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B12. Dividend

The Board of Directors (“Board”) is pleased to declare an interim single tier dividend of 20% or 10 sen per ordinary share of 50 sen each for the financial year ended 30 June 2015.

The book closure and payment dates in respect of the aforesaid dividend are 7 October 2015 and 23 October 2015, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2015 (2014: nil).

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 30.6.2015	Preceding Year Corresponding Quarter 30.6.2014
Profit attributable to Owners of the Parent (RM'000)	189,438 =====	464,994 =====
Weighted average number of ordinary shares ('000)	7,035,322 =====	6,542,978 =====
Basic earnings per share (Sen)	2.69 =====	7.11 =====

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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 30.6.2015	Preceding Year Corresponding Quarter 30.6.2014
Profit attributable to Owners of the Parent (RM'000)	189,438 =====	464,994 =====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	7,035,322	6,542,978
Effect of unexercised Warrants 2008/2018	235,527	230,700
Effect of unexercised ESOS	8,802	5,188
	----- 7,279,651 =====	----- 6,778,866 =====
Diluted earnings per share (Sen)	2.60 =====	6.86 =====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS is RM1,137.5 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM1,137.5 million resulting in a decrease in NA per share of RM0.05. 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: 20 August 2015