

RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2018



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cumulative Period	
		Current year	Preceding year	Current year	Preceding year
		quarter 31/12/2018 RM'000	quarter 31/12/2017 RM'000	to date 31/12/2018 RM'000	to date 31/12/2017 RM'000
Revenue		418,161	375,237	1,559,856	1,478,719
Cost of sales		(305,117)	(241,921)	(1,090,406)	(1,014,862)
Gross profit		113,044	133,316	469,450	463,857
Other items of income					
Interest income		15,039	16,381	57,588	59,960
Other income		5,629	9,904	15,519	17,974
Other items of expense					
Admin/Operating expenses		(78,231)	(77,924)	(262,938)	(248,023)
Finance costs		(31,585)	(21,792)	(125,602)	(97,709)
Zakat		(4,543)	1,511	(5,516)	(1,139)
Share of results of associates		(202)	(5,461)	7,112	3,178
Profit before tax		19,151	55,935	155,613	198,098
Income tax expense	B5	(16,290)	(25,119)	(67,074)	(77,522)
Profit net of tax		2,861	30,816	88,539	120,576
Other comprehensive income:					
Foreign currency translation		(3,796)	1,964	(1,083)	(5,642)
Share of other comprehensive loss of an associates		(1,110)	(7,649)	(1,011)	(3,438)
Remeasurement of defined benefit liability		-	(1)	-	2,763
		(4,906)	(5,686)	(2,094)	(6,317)
Total comprehensive income for the year/period		(2,045)	25,130	86,445	114,259
Profit net of tax attributable to:					
Owners of the parent		(4,509)	16,948	45,548	72,352
Non-controlling interests		7,370	13,868	42,991	48,224
		2,861	30,816	88,539	120,576
Total comprehensive income attributable to:					
Owners of the parent		(9,415)	11,264	43,457	65,482
Non-controlling interests		7,370	13,866	42,988	48,777
		(2,045)	25,130	86,445	114,259
Earnings per share (sen):					
Basic	B11	(0.51)	1.91	5.13	8.14
Diluted		N/A	N/A	N/A	N/A
EBITDA (includes amortisation of services concession assets)		134,998	165,437	606,566	609,295
EBIT		35,697	61,346	223,627	235,847

Notes :

- (1) The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2018



UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/12/2018 RM'000	Audited As at 31/12/2017 RM'000
Non-current assets		
Property, plant and equipment	573,848	589,486
Service concession assets	661,061	-
Intangibles	295,025	294,209
Operating financial assets	43,756	63,597
Finance lease receivables	460,699	508,356
Deferred tax assets	130,366	167,664
Investment in an associates	155,223	172,176
Investment in a joint venture	5	5
Other investment	753	-
Trade and other receivables	70,408	71,158
Other non-current assets	46,685	-
	<u>2,437,829</u>	<u>1,866,651</u>
Current assets		
Finance lease receivable	47,657	44,224
Operating financial assets	5,817	4,212
Trade and other receivables	255,850	276,917
Inventories	89,381	81,512
Tax recoverable	7,032	4,894
Other current assets	66,479	31,633
Other financial assets	72,909	11,442
Deposits, cash and bank balances	355,876	411,165
	<u>901,001</u>	<u>865,999</u>
Total assets	<u>3,338,830</u>	<u>2,732,650</u>
Current liabilities		
Retirement benefit obligations	15,829	10,729
Finance lease payables	1,014	1,454
Short term borrowings	89,908	117,326
Zakat	8,093	9,526
Trade and other payables	260,640	362,127
Other current liability	23	-
Service concession obligations	333,822	-
Tax payable	501	2,197
	<u>709,830</u>	<u>503,359</u>
Net current assets	<u>191,171</u>	<u>362,640</u>



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

	Unaudited As at 31/12/2018 RM'000	Audited As at 31/12/2017 RM'000
Non-current liabilities		
Retirement benefit obligations	72,561	77,396
Finance lease payables	1,934	2,868
Long term borrowings	1,113,401	1,040,214
Trade and other payables	852	19,070
Service concession obligations	352,581	-
Consumer deposits	244,364	238,613
Deferred tax liabilities	83,488	72,987
	<u>1,869,181</u>	<u>1,451,148</u>
Total liabilities	<u>2,579,011</u>	<u>1,954,507</u>
Net assets	<u>759,819</u>	<u>778,143</u>
Equity attributable to owners of the parent		
Share capital	1,275,319	1,275,319
Other reserves	(893,405)	(891,311)
Retained earnings	<u>170,694</u>	<u>198,157</u>
	<u>552,608</u>	<u>582,165</u>
Non controlling interests	<u>207,211</u>	<u>195,978</u>
Total equity	<u>759,819</u>	<u>778,143</u>
Total equity and liabilities	<u>3,338,830</u>	<u>2,732,650</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.62</u>	<u>0.66</u>

Notes:

- (1) The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018



UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Share premium RM'000	Currency translation reserves RM'000	Equity component of convertible unsecured loan stock RM'000	Merger reserve/ (deficit) RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2018	1,275,319	-	13,641	1,063	(906,015)	198,157	582,165	195,978	778,143
Effect of adoption of new accounting standards	-	-	-	-	-	(1,950)	(1,950)	(487)	(2,437)
As at 1 January 2018 (restated)	1,275,319	-	13,641	1,063	(906,015)	196,207	580,215	195,491	775,706
Total comprehensive income	-	-	(2,094)	-	-	45,551	43,457	42,988	86,445
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(1,450)	(1,450)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(218)	(218)
-Dividends on ordinary shares	-	-	-	-	-	(71,064)	(71,064)	(29,600)	(100,664)
At 31 December 2018	1,275,319	-	11,547	1,063	(906,015)	170,694	552,608	207,211	759,819
At 1 January 2017	888,316	387,003	22,721	1,063	(906,015)	168,010	561,098	183,246	744,344
Total comprehensive income	-	-	(9,080.00)	-	-	74,562.00	65,482.00	48,777.00	114,259.00
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(1,450)	(1,450)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(189)	(189)
-Effect on disposal of a subsidiary	-	-	-	-	-	-	-	(806)	(806)
-Dividends on ordinary shares	-	-	-	-	-	(44,415)	(44,415)	(33,600)	(78,015)
-Effect of implementation of the Act	387,003	(387,003)	-	-	-	-	-	-	-
At 31 December 2017	1,275,319	-	13,641	1,063	(906,015)	198,157	582,165	195,978	778,143

Notes:

(1) The Unaudited Condensed Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2018



UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	12 months ended 31/12/2018 RM'000	12 months ended 31/12/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	155,613	198,098
Adjustments for:		
Depreciation of property, plant and equipment	51,670	48,245
Net gain on disposal of property, plant and equipment	(94)	(144)
Property, plant and equipment written off	144	706
Amortisation of service concession asset	330,564	323,830
Amortisation of concession rights	37	64
Amortisation of software	668	1,309
Gain on disposal of subsidiary	-	(242)
Share of profit of associates	(7,112)	(3,178)
Net bad debts written off	1,858	182
Allowance/(Writeback allowance) for slow-moving inventories	30	-
Provision for retirement benefit plan	9,166	8,604
Zakat	5,516	1,139
Waiver of costs incurred in prior years	-	(5,253)
Net unrealised foreign exchange (gain)/loss	8,106	(686)
Allowance impairments trade and other receivables	557	4,947
Impairment on investment in associate	18,451	-
Provision for liquidated ascertained damages	(759)	746
Reversal of impairment in trade and other receivables	(3,541)	(938)
Interest income	(57,588)	(59,960)
Interest expense	125,602	97,709
Operating profit before working capital changes	638,888	615,178
Receivables	14,676	30,586
Payables	(6,804)	32,979
Inventories	(7,891)	(6,050)
Finance lease receivables	84,168	84,168
Operating financial asset	18,980	7,341
Other current asset	(81,506)	(8,633)
Cash generated from operations	660,511	755,569
Retirement benefits plan paid	(8,901)	(10,588)
Zakat paid	(6,949)	(312)
Tax paid	(25,473)	(21,927)
Repayment of lease rental payable to PAAB	(424,192)	(428,089)
Net cash generated from operating activities	194,996	294,653
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(36,276)	(61,711)
Proceeds from disposal of property, plant and equipment	299	404
(Additional)/Disposal of short term investments	(61,467)	2,733
Purchase of software	(1,520)	(373)
Purchase of other investment	(753)	-
Addition of service concession asset	-	(23,791)
Net cash inflow on disposal of a subsidiaries	-	815
Interest received	16,146	12,215
Net cash (used in)/generated from investing activities	(83,571)	(69,708)



Ranhill

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

	12 months ended 31/12/2018 RM'000	12 months ended 31/12/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Placement)/withdrawal of fixed deposits with banking facilities	113,866	(94,640)
Drawdown of term loans	664,388	938
Finance lease principal repayments	(1,497)	(1,651)
Repayment of borrowings	(593,455)	(96,788)
Dividends paid	(86,414)	(96,031)
Payment of issuance cost for Sukuk	(44,000)	-
Interest paid	(107,104)	(80,046)
Net cash used in financing activities	<u>(54,216)</u>	<u>(368,218)</u>
Net (decrease)/ increase in cash and cash equivalents	57,209	(143,273)
Effect of exchange rate changes on cash and cash equivalents	2,741	(471)
Cash and cash equivalents at beginning of year	141,342	285,086
Cash and cash equivalents at end of year	<u>201,292</u>	<u>141,342</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash at banks and on hand	149,917	85,816
Short term deposits with licensed banks	<u>205,959</u>	<u>325,349</u>
Total deposits, cash and bank balances	355,876	411,165
Bank overdrafts	(525)	(1,898)
Restricted deposits, cash and bank balances	(83,080)	(267,925)
Deposit with maturities of three months or more	<u>(70,979)</u>	<u>-</u>
Cash and cash equivalents	<u>201,292</u>	<u>141,342</u>

Notes:

- (1) The Unaudited Condensed Statements of Cash Flows should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

SECTION A: NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard Board ("IASB") 34: Interim Financial Reporting issued by the International Accounting Standard Board ("IASB") and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities ("Bursa Securities").

These interim financial statements should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("the Group") since the financial year ended 31 December 2017.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 December 2017.

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

On 1 January 2018, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2018.

Description	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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

A2. Changes in Accounting Policies (continued)

MFRS 9 Financial Instruments

The adoption of this Standard resulted in changes in accounting policies and adjustments to the financial statements.

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedging accounting requirements under this Standard are not relevant to the Company.

The Group applied MFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

The Company classify its financial assets into measurement categories depending on the Company's business model for managing the financial assets and the terms of contractual cash flows of the financial asset. A new financial asset category measured at amortised cost was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows only.

There is no impact on the classification and measurement of the Company's financial liabilities.

MFRS 9 requires impairment assessments to be based on Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139 Financial Instruments: Recognition and Measurement.

The key changes in relation to impairment of financial assets are as follows:

For trade and other receivables which are financial assets, the Company apply the simplified approach prescribed by MFRS 9, which requires a lifetime ECL to be recognised from initial recognition of the trade and other receivables which are financial assets.

The Company has established a policy to perform an assessment at the end of year of whether credit risk has increased significantly since initial recognition have low credit risk at the reporting date. To calculate ECL, the Company will recognise lifetime expected credit losses throughout the life of the receivable. ECLs are estimated based historical default rate on payment profile on receivables.

Classification and measurement

The following table summarises the reclassification and measurement of the Company's financial assets as at 1 January 2018:

	Measurement category		Carrying amount as at 1 January 2018	
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	New (MFRS 9)
			RM'000	RM'000
Trade and other receivables (Current and non-current)	Loan and receivables	Amortised cost	348,075	344,869

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



A2. Changes in Accounting Policies (continued)

The following table are reconciliations of the carrying amount of the Company's statement of financial position from MFRS 139 Financial Instruments: Recognition and Measurement

	Original (MFRS 139) Carrying amount as at 31 December 2017	Re-measurement	New (MFRS 9) Carrying amount as at 1 January
	RM'000	RM'000	RM'000
Trade and other receivables (Current)	276,917	(3,206)	273,711
Deferred tax assets	167,664	769	168,433
Retained earnings	198,157	(1,950)	196,207
Non-controlling interests	195,978	(487)	195,491

Standards and Amendments in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

Description	Effective for annual periods beginning on or after
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application except as discussed below:

A2. Changes in Accounting Policies (continued)

Standards and Amendments in Issue but Not Yet Effective (continued)

MFRS 16, Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

For finance leases where the Group is a lessee, the Group has already recognised an asset and a related finance lease liability for such lease arrangements. Accordingly, for such lease arrangements, the Group does not anticipate the application of MFRS 16 to have a significant impact on the Group's financial statements.

MFRS 119 Plan Amendments, Curtailment or Settlement (Amendments to MFRS 119)

The amendments require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement, which occurs during the reporting period. The amendments also clarify how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements.

The amendments should be applied prospectively to plan amendments, curtailments or settlements that occur on or after 1 January 2019, with earlier application permitted. These amendments will not have a significant impact on the Group's and the Company's financial statements.

A3. Audit Report

There was no audit qualification reported in the Auditors' Report on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017.

A4. Seasonality of Cyclicity of Operations

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

A5. Unusual Significant Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence for the current quarter and current financial year-to-date except for impairment on investment and advances to associate, Tawau Green Energy Sdn. Bhd. ("TGE") of approximately RM19 million.

A6. Material Changes in Estimates

There were no major changes in estimates that have a material effect in the current quarter and current financial year-to-date.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and current financial year-to-date except as follows:

- a) On 26 January 2018, the Company's wholly-owned subsidiary, Ranhill Capital Sdn Bhd ("RCSB") has successfully redeemed the outstanding Islamic Medium Term Notes ("IMTN") of up to RM800.0 million and issued an IMTN of up to RM650 million via Company's indirect subsidiary, SAJ Capital Sdn. Bhd. in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah").

A8. Dividend Paid

During the financial year ended 30 September 2018, the following payments of dividend were made:

In respect of the financial year ended 31 December 2017:

- (a) RM17,766,315 was declared and paid on 16 January 2018 and 14 February 2018 respectively as second interim single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.
- (b) RM17,766,315 was declared and paid on 13 April 2018 and 30 May 2018 respectively as final single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.

In respect of the financial year ended 31 December 2018:

- (a) RM17,766,315 was declared and paid on 9 August 2018 and 6 September 2018 respectively as first interim single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.

A8. Dividend Paid (continued)

- (b) RM17,766,315 was declared and paid on 13 November 2018 and 13 December 2018 respectively as second interim single tier dividend of 2.0 sen per share on 888,315,767 ordinary shares.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



A9. Segmental Information

Segmental results are summarized as follows with a reportable proforma segment profit, segment asset and segment liabilities after apportioning the Sukuk related assets, liabilities and cost to the environment and power segments, to reflect more meaningful contributions from the segments by apportioning the cost of acquiring the environment and power segments to the respective segment.

For the financial year ended 31 December 2018:

BY BUSINESS SEGMENTS	Environment RM'000	Power RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	1,250,493	309,363	195,533	1,755,389
Inter-segment elimination	-	-	(195,533)	(195,533)
	1,250,493	309,363	-	1,559,856
Results				
Segment profit/(loss)	137,639	60,221	(109,321)	88,539
Segment assets	2,004,345	1,258,165	76,320	3,338,830
Segment liabilities	1,272,264	677,440	629,307	2,579,011
Proforma scenario				
Results				
Segment profit/(loss)	137,639	60,221	(109,321)	88,539
Add/(less):				
Sukuk interest	(37,911)	(3,493)	41,404	-
Adjusted segment profit/(loss)	99,728	56,728	(67,917)	88,539
Segment assets	2,004,345	1,258,165	76,320	3,338,830
Add/(less):				
Bank balances related to Sukuk	43,417	4,000	(47,417)	-
Adjusted segment Assets	2,047,762	1,262,165	28,903	3,338,830
Segment liabilities	1,272,264	677,440	629,307	2,579,011
Add/(less):				
Sukuk loan	573,177	52,809	(625,986)	-
Adjusted segment liabilities	1,845,441	730,249	3,321	2,579,011

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



A9. Segmental Information (continued)

For the financial year ended 31 December 2017:

BY BUSINESS SEGMENTS	Environment RM'000	Power RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	1,169,450	309,269	189,386	1,668,105
Inter-segment elimination	-	-	(189,386)	(189,386)
	1,169,450	309,269	-	1,478,719
Results				
Segment profit/(loss)	169,315	50,771	(99,510)	120,576
Segment assets	1,225,989	1,303,914	202,747	2,732,650
Segment liabilities	688,365	736,143	529,999	1,954,507
Proforma scenario				
Results				
Segment profit/(loss)	169,315	50,771	(99,510)	120,576
Add/(less):				
Sukuk interest	(37,822)	(5,839)	43,661	-
Adjusted segment profit/(loss)	131,493	44,932	(55,849)	120,576
Segment assets	1,225,989	1,303,914	202,747	2,732,650
Add/(less):				
Bank balances related to Sukuk	141,026	21,773	(162,799)	-
Adjusted segment assets	1,367,015	1,325,687	39,948	2,732,650
Segment liabilities	688,365	736,143	529,999	1,954,507
Add/(less):				
Sukuk loan	467,375	72,160	(539,535)	-
Adjusted segment liabilities	1,155,740	808,303	(9,536)	1,954,507

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



A9. Segmental Information (continued)

Environment segment

1. Revenue generated of RM1,250.5 million (2017: RM1,169.5 million) was an increase of RM81.0 million compared to its preceding year mainly due to slight increase in volume of water consumption.
2. However, profit after taxation of RM137.6 million (2017: RM169.3 million) was a decrease of RM31.7 million compared to its preceding year substantially due to higher unwinding interest (RM40.4 million) in 1st year of 4th operating period compared to lower unwinding interest (RM14.6 million) in 3rd year of operating period.

Power segment

1. Revenue of RM309.4 million (2017: RM309.3 million) was slight increase of RM0.1 million compared to its preceding year.
2. However, profit after taxation of RM60.2million (2017: RM50.8 million) improved from 2017's by RM9.4 million mainly due to lower maintenance overhead cost.

A10. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and current financial year-to-date except as follows:

- a) On 8 March 2018, the Group via its wholly-owned subsidiary, Ranhill Capital Sdn. Bhd. ("RCSB") incorporated a new wholly-owned subsidiary in Singapore, namely Ranhill International Pte Ltd with an initial issued share capital of SGD2.00.

A11. Contingent Liabilities

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

A12. Capital Commitments

The Group has the following capital commitments in respect of:

	31.12.2018 RM'000	31.12.2017 RM'000
Approved and contracted for	389	2,359
Approved but not contracted for	5,701	3,792
	6,090	6,151

A13. Significant Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the current quarter and current financial year to date.

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



SECTION B: BURSA SECURITIES LISTING REQUIREMENT (PART A OF APPENDIX 9B)

B1. Detailed Analysis of Performance of All Operating Segments

Performance for the quarter and year-to-date

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current year quarter 31.12.2018 RM'000	Preceding year quarter 31.12.2017 RM'000		Current year to date 31.12.2018 RM'000	Preceding year to date 31.12.2017 RM'000	
Revenue	418,161	375,237	11.4%	1,559,856	1,478,719	5.5%
Operating profit	40,442	65,296	-38.1%	222,031	233,808	-5.0%
Profit Before Interest and Tax	35,697	61,346	-41.8%	223,627	235,847	-5.2%
Profit Before Tax	19,151	55,935	-65.8%	155,613	198,098	-21.4%
Profit After Tax	2,861	30,816	-90.7%	88,539	120,576	-26.6%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	(4,509)	16,948	N/A	45,548	72,352	-37.0%

For the quarter and year to date ended 31 December 2018, the Group recorded a revenue of RM418.2 million and RM1,559.9 million (Q4 2017 : RM375.2 million, YTD 2017 : RM1,478.7 million) and profit/ (loss) attributable to ordinary equity holder of the parent of (RM4.5) million and RM45.5 million (Q4 2017 : RM16.9 million, YTD 2017 : RM 72.4 million).

The increase in revenue for the quarter and year to date was mainly contributed by the environment segment due to the increase in volume of water consumption in Ranhill SAJ Sdn. Bhd. ("RanhillSaj").

Profit before tax for the quarter decreased by approximately RM36.8 million compared to Q4 2017 mainly due to higher unwinding interest for the quarter of RM6 million as its 1st year of 4th operating period compared to 2017, which is the 3rd year of 3rd operating period, impairment on investment in associate and advances to TGE of amounted RM19.0 million and higher zakat payment amounted RM6 million.

Profit/(loss) attributable to ordinary equity holder of the parent for the quarter decreased by approximately RM21.5 million compared to Q4 2017 was also due to the same reason as above.

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



B2. Comparison of Results for Current Quarter Ended 31 December 2018 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 31.12.2018 RM'000	Immediate preceding quarter 30.09.2018 RM'000	
Revenue	418,161	401,939	4.0%
Operating Profit	40,442	60,850	-33.5%
Profit Before Interest and Tax	35,697	62,970	-43.3%
Profit Before Tax	19,151	44,804	-57.3%
Profit After Tax	2,861	28,428	-89.9%
Profit/(Loss) Attributable to Ordinary Equity Holder of the Parent	(4,509)	16,485	N/A

The Group recorded a revenue of RM418.2 million in the current quarter compared to its immediate preceding quarter's revenue of RM401.9 million, an increase of RM16.3 million or 4.0% due to increase in volume of water consumption in RanhillSaj and also higher revenue contribution from Thailand.

The profit before tax for the current quarter has decrease by RM25.7 million from RM44.8 million profit in quarter 3 to RM19.2 million in quarter 4 mainly due to the impairment on the investment in associate and advances to TGE of amounted RM19 million and higher zakat payment approximately of RM4 million.

The profit attributable to ordinary equity holder of the parent for the current quarter has decrease by RM21.0 million from RM16.5 million profits in quarter 3 to a loss of RM4.5 million in quarter 4 was also due to the same reason as above.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B3. Prospects

Ranhill targets to own and operate gross 1000 MW power plants that deliver clean energy and 3000 MLD water and wastewater treatment capacity, of which 400 MLD is to be from international segment by 2022.

Growth in the local environment segment is expected to be supported by the increasing demand in water for the state of Johor, especially with the development of new housing and industrial areas. Studies on alternative potential water resources conducted by our local environment segment are expected to contribute additional revenue and profit to the Group especially from the exploration of ground water sources in the south and south east areas of Johor. Domestically, our capacity is expected to grow 3% to 4% annually.

In line with the Federal Government's aspiration to integrate Sewerage Services with Water Supply Services and to improve the chronic state of river pollution in southern Johor, RanhillSaj has proposed to the Government for an integration of sewerage and water services which will naturally combine all elements to provide efficient and holistic water services (including joint billing) which has received positive support from the Ministry of Water, Land and Natural Resources ("KATS"). This initiative will also free up potable water for non-industrial uses.

Our NRW management services has completed several water related contracts in the region valued at RM800m and has saved >500MLD of treated water through NRW contracts. As part of the national NRW reduction program in 6 states, RWS being a reputable NRW company stands a good chance of securing the contracts via open tender.

In the international environment sector, the target of 400 MLD capacity will be achieved through growth from Thailand. Currently, our international treatment capacity is at 335.5 MLD (221.5 MLD in China and 114 MLD in Thailand). In line with the anticipated growth of industrial parks in these markets, we strive to continue leveraging on our good track record and relationship with existing clients and at the same time develop new customers to grow our footprint in the region. We are bullish in securing more industrial water and wastewater treatment projects with an additional treatment capacity not only from Amata Industrial park but other industrial parks in Thailand.

Ranhill has rigorously embarked on steps towards achieving the goals and amongst the initiatives that had been undertaken are the review of our international concession agreements and the incorporation of a special purpose vehicle in Singapore to undertake international investment and to tap into international financing opportunities and larger pool of investors.

B4. Profit Forecast

Not applicable.

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.12.2018 RM'000	Preceding year quarter 31.12.2017 RM'000	Current year to date 31.12.2018 RM'000	Preceding year to date 31.12.2017 RM'000
Malaysia taxation:				
Current taxation	4,904	7,046	19,742	21,569
(Over)/under provision prior years	(1,226)	(209)	(1,316)	(128)
Foreign taxation:				
Current taxation	31	(34)	51	73
Deferred taxation	(854)	(5)	(651)	-
Deferred taxation				
Current taxation	11,924	17,652	48,163	55,445
(Over)/under provision prior years	1,511	669	1,085	563
	16,290	25,119	67,074	77,522

The Company's effective tax rate (excluding the results of associates and joint venture which are equity accounted net of tax) for the quarter and current year to date were higher than the statutory tax rate substantially due to the non-allowable tax expenses of Sukuk interest and impairment on investment in associate.

The gazetted law, subsequent to the tabling of Malaysia's Budget 2019 on capping investment allowance for service sector (IASS) to 7 years may result in a potential reversal of deferred tax asset relating to investment allowance amounting to RM57.8 million for one of the group's subsidiary, Ranhill Powertron II. The Group had submitted an appeal to Ministry of Finance ("MOF") for imposing the capping to contracts retrospectively, as the investment tax incentive was granted during the award of the Power Purchase Agreement (PPA), was taken into consideration in arriving at the agreed tariff. MOF has vide a letter dated 21 February 2019 mentioned that our appeal is under its assessment and consideration. Taking this into consideration and with the support of a legal opinion that the Company has a legitimate expectation for the continuance utilization of the investment allowance beyond 7 years limitation as approved by MOF on 4 November 2010. The Board has not reverse the deferred tax asset until the outcome from MOF is known.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.12.2018 RM'000	Preceding year quarter 31.12.2017 RM'000	Current year to date 31.12.2018 RM'000	Preceding year to date 31.12.2017 RM'000
Amortisation of service concession assets	83,915	90,439	330,564	323,830
Amortisation of software	294	1,269	668	1,309
Amortisation of concession rights	-	16	37	64
Depreciation of property, plant and equipment	15,092	12,367	51,670	48,245
Impairment/(reversal impairment) :				
-Investment in TGE	18,451	-	18,451	-
-Advances to TGE	557	-	557	-
-Others	(3,541)	4,947	(3,541)	4,947
Unrealised foreign exchange (gain)/loss	549	(3,405)	8,106	(686)
Realised foreign exchange (gain)/loss	(86)	(993)	(4,381)	(2,380)
(Revesal provision)/ Provision for liquidated ascertained damages	-	746	(759)	746
Property, plant and equipment written off	23	(90)	104	706
Gain on disposal of property, plant and equipment	(63)	(4)	(93)	(144)
Rationalisation and relocation costs	-	-	-	8,701

B7. Status of Corporate Proposal Announced

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

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



B8. Group Borrowings

Particular of the Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	As at period ended 31 December 2018					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank Overdraft	53	-	-	-	53	-
- Term loan	4,414	-	17,648	-	22,062	-
- Musharakah Medium Term Notes ("mMTN")	-	49,764	-	494,923	-	544,687
- SUKUK	-	35,205	-	590,781	-	625,986
Sub total	4,467	84,969	17,648	1,085,704	22,115	1,170,673
Unsecured						
- Bank Overdraft	-	472	-	-	-	472
-Letter of credit	-	-	-	-	-	-
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,049	-	10,049
Sub total	-	472	-	10,049	-	10,521
Grand Total	4,467	85,441	17,648	1,095,753	22,115	1,181,194
						1,203,309

	As at year ended 31 December 2017					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank Overdraft	-	-	-	-	-	-
- Term loan	3,199	-	7,666	-	10,865	-
- Musharakah Medium Term Notes ("mMTN")	-	49,287	-	544,687	-	593,974
- SUKUK	-	62,942	-	476,593	-	539,535
Sub total	3,199	112,229	7,666	1,021,280	10,865	1,133,509
Unsecured						
- Bank Overdraft	-	1,898	-	-	-	1,898
- Convertible unsecured loan stocks ("CULS")	-	-	-	11,268	-	11,268
Sub total	-	1,898	-	11,268	-	13,166
Grand Total	3,199	114,127	7,666	1,032,548	10,865	1,146,675
						1,157,540

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2018



B9. Changes in Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

B10. Dividend Payable

The following dividend has been recommended for the financial year ended 31 December 2018:

- (a) 1.0 sen per share dividend as third interim single tier dividend on 888,315,767 ordinary shares, amounting to a dividend payable of RM8,883,158 declared on 28 February 2019, payable on 1 April 2019.
- (b) Proposal to pay 1.0 sen per share dividend as final dividend on 888,315,767 ordinary shares, amounting to a dividend payable of RM8,883,158 to be paid upon shareholders' approval at the forthcoming Fifth (5th) Annual General Meeting.

B11. Earnings per Share

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests on the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Quarter 31.12.2017 RM'000	Current Year-To-Date 31.12.2018 RM'000	Preceding Year-To-Date 31.12.2017 RM'000
<u>Basic earnings/(loss) per share</u>				
Profit/(Loss) attributable to members of the Company	(4,509)	16,948	45,548	72,352
Weighted Average Number of Ordinary Shares ('000)	888,316	888,316	888,316	888,316
Basic earnings/(loss) per share (sen)	(0.51)	1.91	5.13	8.14

By Order of the Board
 Lau Bey Ling
 Leong Shiak Wan
 Company Secretaries
 Kuala Lumpur
 Date: 28 February 2019