

RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2016



Ranhill

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 30/9/2016 RM'000	Preceding year quarter ⁽²⁾ 30/9/2015 RM'000	Current year to date 30/9/2016 RM'000	Preceding year to date ⁽²⁾ 30/9/2015 RM'000
Revenue		370,841	N/A	1,072,635	N/A
Cost of sales		(256,536)	N/A	(749,671)	N/A
Gross profit		114,305	N/A	322,964	N/A
Other items of income					
Interest income		20,420	N/A	57,026	N/A
Other income		1,444	N/A	27,488	N/A
Other items of expense					
Administrative expenses		(52,241)	N/A	(150,669)	N/A
Other operating expenses		(306)	N/A	(866)	N/A
Tendering and marketing expenses		(361)	N/A	(981)	N/A
Finance costs		(35,686)	N/A	(112,935)	N/A
Zakat		(793)	N/A	(3,998)	N/A
Share of results of a joint venture		(81)	N/A	1,228	N/A
Share of results of associates		-	N/A	-	N/A
Profit/(loss) before tax		46,701	N/A	139,257	N/A
Income tax expense	B5	(19,023)	N/A	(48,254)	N/A
Profit/(loss) net of tax		27,678	N/A	91,003	N/A
Other comprehensive income:					
Foreign currency translation to be reclassified to profit or loss in subsequent periods		(8,416)	N/A	(25,330)	N/A
Total comprehensive income for the year/period		19,262	N/A	65,673	N/A
Profit/(loss) net of tax attributable to:					
Owners of the parent		14,142	N/A	58,815	N/A
Non-controlling interests		13,536	N/A	32,188	N/A
		27,678	N/A	91,003	N/A
Total comprehensive income attributable to:					
Owners of the parent		5,729	N/A	33,488	N/A
Non-controlling interests		13,533	N/A	32,185	N/A
		19,262	N/A	65,673	N/A
Earnings per share (sen):					
Basic ⁽³⁾	B12	1.59	N/A	6.62	N/A
Diluted		N/A	N/A	N/A	N/A
EBITDA (includes amortisation of services concession assets)		149,355	N/A	457,164	N/A

**RANHILL HOLDINGS BERHAD (Company No : 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**



Ranhill

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾ (continued)

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 2015 and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.
- (3) Based on the issued and paid-up share capital of 888,315,767 ordinary shares of RM1.00 each after the completion of the public offering (as detailed in Note B7).

N/A Not Applicable



Ranhill

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 30/9/2016 RM'000	Audited As at 31/12/2015 RM'000
Non-current assets		
Property, plant and equipment	563,750	576,324
Service concession assets	375,039	600,062
Intangibles	297,553	297,338
Operating financial asset	533,579	-
Finance lease receivables	563,129	593,618
Deferred tax assets	228,066	252,470
Investment in a joint venture	8,053	157,702
Trade and other receivables	70,688	72,855
	<u>2,639,857</u>	<u>2,550,369</u>
Current assets		
Finance lease receivables	40,278	38,082
Operating financial asset	30,136	-
Trade and other receivables	347,692	333,680
Inventories	70,220	74,995
Tax recoverable	3,062	2,198
Other current assets	25,944	24,378
Other financial assets	23,822	18,942
Deposits, cash and bank balances	321,815	550,872
	<u>862,969</u>	<u>1,043,147</u>
Total assets	<u>3,502,826</u>	<u>3,593,516</u>
Current liabilities		
Retirement benefit obligations	7,291	7,969
Finance lease payables	1,510	1,273
Short term borrowings	105,486	833,111
Zakat	8,000	8,942
Trade and other payables	392,466	529,745
Other current liability	10,441	302
Service concession obligations	418,616	390,962
Tax payable	4,647	1,496
	<u>948,457</u>	<u>1,773,800</u>
Net current liabilities	<u>(85,488)</u>	<u>(730,653)</u>
Non-current liabilities		
Retirement benefit obligations	85,692	83,976
Finance lease payables	2,662	2,572
Long term borrowings	1,275,051	799,862
Trade and other payables	89,392	4,357
Service concession obligations	82,348	320,273
Consumer deposits	178,125	169,452
Deferred tax liabilities	79,256	54,940
	<u>1,792,526</u>	<u>1,435,432</u>
Total liabilities	<u>2,740,983</u>	<u>3,209,232</u>



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

Ranhill

Audited

As at

31/12/2015

RM'000

Unaudited

As at

30/9/2016

RM'000

Net assets	<u>761,843</u>	<u>384,284</u>
Equity attributable to owners of the parent		
Share capital	888,316	565,995
Share premium	387,003	339,597
Other reserves	(904,471)	(879,143)
Retained earnings	<u>210,200</u>	<u>146,419</u>
	581,048	172,868
Non controlling interest	<u>180,795</u>	<u>211,416</u>
Total equity	<u>761,843</u>	<u>384,284</u>
Total equity and liabilities	<u>3,502,826</u>	<u>3,593,516</u>
	-	-
Net assets per share attributable to owners of the parent (RM)	<u>0.65</u>	<u>0.31</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 2015 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 THIRD QUARTER
ENDED 30 SEPTEMBER 2016



UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 ⁽¹⁾

	Share capital ⁽²⁾ RM'000	Share premium RM'000	Currency of translation reserves RM'000	Equity component 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 2016	565,995	339,597	25,809	1,063	(906,015)	146,419	172,868	211,416	384,284
Total comprehensive income			(25,328)			58,815	33,487	32,185	65,672
-Unwinding on interest expense on CULS attributable to non- controlling interests								(77)	(77)
-CULS interest paid to non-controlling interests								(1,087)	(1,087)
-New public issuance of shares	322,321	64,464					386,785		386,785
-Share issuance expenses		(17,058)					(17,058)		(17,058)
-Effect on acquisition of the remaining 47.9% equity interest in RWT (Cayman)						20,956	20,956		20,956
-Dividends on ordinary shares						(15,990)	(15,990)	(61,642)	(77,632)
At 30 September 2016	888,316	387,003	481	1,063	(906,015)	210,200	581,048	180,795	761,843

Notes:

No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.

(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 2015 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	Current Year-To-Date 30/9/2016 RM'000	Preceding Year-To-Date 30/9/2015 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	139,257	N/A	
Adjustments for:			
Depreciation of property, plant and equipment	36,868	N/A	
Property, plant and equipment written off	16	N/A	
Gain on disposal of property, plant and equipment	(304)	N/A	
Amortisation of service concession asset	225,024	N/A	
Amortisation of concession rights	75	N/A	
Amortisation of software	31	N/A	
Negative goodwill arising from acquisition of remaining shares in RWTC	(18,093)	N/A	
Share of profit of a joint venture	(1,228)	N/A	
Provision retirement benefit plan	6,639	N/A	
Zakat	3,998	N/A	
Allowance for impairments	521	N/A	
Provision for liquidated ascertained damages	1,691	N/A	
Unrealised foreign exchange gain	70	N/A	
Interest income	(57,026)	N/A	
Interest expense	112,935	N/A	
	<hr/>	<hr/>	
Operating profit before working capital changes	450,474	N/A	-
Receivable	26,111	N/A	
Payables	(206,736)	N/A	
Inventories	5,745	N/A	
Finance lease receivables	63,126	N/A	
Operating financial asset	7,543	N/A	
Other current asset	(732)	N/A	
	<hr/>	<hr/>	
Cash generated from operations	345,531	N/A	
Retirement benefits plan paid	(5,601)	N/A	
Zakat paid	(4,940)	N/A	
Tax paid	(18,096)	N/A	
Lease rental payable to PAAB	(210,271)	N/A	
	<hr/>	<hr/>	
Net cash generated from operating activities	106,623	N/A	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(20,950)	N/A	
Proceeds from disposal of property, plant and equipment	337	N/A	
Disposal of short term investment	(4,880)	N/A	
Net cash outflow effect on the acquisition of remaining share of RWTC	(115,092)	N/A	
Dividend received from joint venture	5,250	N/A	
Interest received	13,290	N/A	
	<hr/>	<hr/>	
Net cash generated from investing activities	(122,045)	N/A	-



Ranhill

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

	Current Year-To-Date 30/9/2016 RM'000	Preceding Year-To-Date 30/9/2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Placement of fixed deposits with banking facilities	99,000	N/A
Drawdown of term loans	715	N/A
Finance lease principal repayments	(1,029)	N/A
Proceeds from issuance of shares	386,785	N/A
Payment of initial public offering exercise expenses	(13,073)	N/A
Repayment of borrowings	(418,600)	N/A
Dividends paid	(77,632)	N/A
Payment of premium IMTN and Sukuk redemption	(17,890)	N/A
Payment of Sukuk guarantee fee	(13,837)	N/A
Interest paid	(68,724)	N/A
Net cash generated from financing activities	<u>(124,285)</u>	<u>N/A</u>
Net (decrease)/increase in cash and cash equivalents	(139,707)	N/A
Effect of exchange rate changes on cash and cash equivalents	2,402	N/A
Cash and cash equivalents at beginning of year	<u>305,545</u>	<u>N/A</u>
Cash and cash equivalents at end of year	<u>168,240</u>	<u>N/A</u>
	-	
Cash and cash equivalents at end of financial period comprise the following:		
Cash at banks and on hand	103,584	N/A
Short term deposits with licensed bank	<u>218,231</u>	<u>N/A</u>
Total deposits, cash and bank balances	321,815	N/A
Bank overdrafts	(4,202)	N/A
Restricted deposits, cash and bank balances	<u>(149,373)</u>	<u>N/A</u>
Cash and cash equivalents	<u>168,240</u>	<u>N/A</u>
	(0)	

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 2015 and the accompanying explanatory notes attached to these interim financial statements.

(2) No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.

N/A Not Applicable

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 ("IAS") 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").

There are no comparative figures for the preceding financial year's corresponding period as the Company only assumed listing status on 16 December 2015.

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 2015 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 2015.

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 2015 as well as those mandatory new/revised standards that take effects on annual financial period commencing on and after 1 January 2016, except for the following:-

MFRS, Interpretations and amendments that is effective for annual financial periods beginning on or after 1 January 2018

MFRS 15	Revenue from Contract with Customers
MFRS 9	Financial Instruments

The initial application of the accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group except as mentioned below:

A2. Changes in Accounting Policies (continued)

MFRS 15, Revenue from Contract with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9, Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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 2015.

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 unusual in nature, size or incidence for the current quarter and current financial year-to-date except the following:

- (i) Bond redemption premium of RM13.3 million that has been charged to income statement and fully paid upon the group's redemption of the Group's Islamic Medium Term Notes ("IMTN") in March 2016.
- (ii) Recognition of negative goodwill of RM18.1 million upon acquisition of the remaining shares in Ranhill Water Technologies (Cayman) Ltd. ("RWTC").
- (iii) Sukuk redemption premium and its related expenses of RM5.9 million has been charged to income statement in August 2016.

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 were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and current financial year-to-date except for those disclosed in Note B7.

A8. Dividend Paid

During the financial period ended 30 September 2016, the following payments of dividend have been made:

- (a) RM15,989,696 was paid on 28 September 2016 as interim single tier dividend of 1.8 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
THIRD QUARTER ENDED 30 SEPTEMBER 2016



A9. Segmental Information

Segmental results for the financial period ended 30 September 2016 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 a more meaningful contributions from the segments by apportioning the cost of acquiring the environment and power segments to the respective segment. :

	Environment RM'000	Power RM'000	Others RM'000	Elimination RM'000	Total RM'000
BY BUSINESS SEGMENTS					
Revenue					
Sales to external customers	833,504	239,082	49		1,072,635
Inter-segment elimination			174,495	(174,495)	-
	<u>833,504</u>	<u>239,082</u>	<u>174,544</u>	<u>(174,495)</u>	<u>1,072,635</u>
Results					
Segment profit/(loss)	<u>128,345</u>	<u>32,809</u>	<u>(70,151)</u>		<u>91,003</u>
Segment assets					
	<u>2,027,682</u>	<u>1,400,557</u>	<u>74,587</u>		<u>3,502,826</u>
Segment liabilities					
	<u>1,366,273</u>	<u>751,298</u>	<u>623,412</u>		<u>2,740,983</u>
Proforma scenario					
Results					
Segment profit/(loss)	128,345	32,809	(70,151)		91,003
Add/(less):					
Sukuk interest	(34,676)	(5,354)	40,030		-
Sukuk premium redemption and its related cost	(5,106)	(788)	5,894		-
Adjusted segment profit/(loss)	<u>88,563</u>	<u>26,667</u>	<u>(24,227)</u>		<u>91,003</u>
Adjusted segment assets					
Segment assets	2,027,682	1,400,557	74,587		3,502,826
Add/(less):					
Bank balances related to Sukuk	48,614	7,506	(56,120)		-
Adjusted segment assets	<u>2,076,296</u>	<u>1,408,063</u>	<u>18,467</u>		<u>3,502,826</u>
Adjusted Segment liabilities					
Segment liabilities	1,366,273	751,298	623,412		2,740,983
Add/(less):					
Sukuk loan	518,894	80,113	(599,007)		-
Adjusted Segment liabilities	<u>1,885,167</u>	<u>831,411</u>	<u>24,405</u>		<u>2,740,983</u>



A10. Changes in the Composition of the Group

During the financial year-to-date, the following changes in composition were effected:

- (i) RWTC was previously recognised as a Joint Venture when the group owned approximately 52% of RWTC. With the acquisition of its remaining shares on 20 May 2016, RWTC is now fully consolidated to the group. The investment in joint venture of RM157 million as per the statement of financial position as at 31 December 2015 has now been classified as investment in subsidiary and the results of RWTC is being accounted for in accordance with “MFRS 3 Business Combination”.

A11. Contingent Liabilities

There were no contingent liabilities that, upon becoming enforceable, may have an adverse material impact on the results of operations or financial condition of the Group as at 30 September 2016.

A12. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2016 are as follows:

	RM'000
Approved and contracted for	1,306
Approved but not contracted for	<u>2,314</u>
	<u><u>3,620</u></u>

A13. Significant events subsequent to the balance sheet date

There were no material events subsequent to the current quarter ended 30 September 2016 except for the following:

- (i) On 27 September 2016, RWTC, a wholly owned subsidiary of the Company has entered into a sales and purchase agreement (“SPA”) with SIIC Environment Holdings Limited (“SIIC”), Asia Wisdom Investment Limited (“AWIL”) in relation to the Proposed Divestment for a total cash consideration of RMB273.90 million (approximately RM169.11 million). The Proposed Divestment entails the divestment of 60% equity interest in Ranhill Water (Hong Kong) Limited (“RWHK”), a wholly owned subsidiary of RWTC comprises 159,989,376 ordinary shares to AWIL (“Purchaser”), an indirect wholly-owned subsidiary of SIIC.

The said divestment is expected to be completed in December 2016.

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

B1. Detailed Analysis of Performance of all Operating Segments

For the quarter and year-to-date

The Company recorded a revenue of RM370.8 million (YTD RM1,072.6 million) and profit before taxation of RM46.7 million (YTD RM139.3 million) for the current quarter ended 30 September 2016. The environment segment contributed RM281.4 million (YTD RM833.5 million) in revenue and a profit before taxation of RM52.5 million (YTD RM167.7 million) while the power segment reported a revenue of RM89.5 million (YTD RM239.1 million) and a profit before taxation of RM24.6 million (YTD RM43.9 million). Sukuk interest, premium on partial redemption of the Sukuk and head quarter's overhead amounts to RM30.4 million for the quarter.

No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed the listing status on 16 December 2015 and commenced trading on Bursa Malaysia Securities Berhad on 16 March 2016.

Taking into consideration the apportionment of cost in relation to the acquisition of the environment and power segment, the proforma environment's profit before taxation for the quarter is RM36.0 million (YTD RM127.9 million) while proforma power's profit before taxation for the quarter is RM22.1 million (YTD RM37.7 million).

B2. Variation of Results for current quarter ended 30 September 2016 compared to the immediate preceding quarter

The Company recorded a revenue of RM370.8 million in the current quarter compared to its immediate preceding quarter's revenue of RM357.0 million, an increase of RM13.8 million or 3.9% whilst profit before taxation for the current quarter down by RM18.0 million to RM46.7 million compared to RM64.7 million in the immediate preceding quarter.

The substantial decrease is due to premium paid on the redemption of the Sukuk and its related expenses amounting to RM5.9 million in the current quarter and in the preceding quarter a one-off recognition of negative goodwill of RM 20.1 million arose upon consolidation as the provisional fair value of RWTC is higher than its total cost of investment in RWTC.

The proforma Profit Before Tax (after allocating the Sukuk related cost) of the environment segment for the current quarter decreased by RM21.9 million to RM38.3 million, compared to profit before taxation of RM58.0 million in the immediate preceding quarter. The decrease in the profit was mainly due to the recognition of the RM20.1 million negative goodwill arising from acquisition of remaining shares in RWTC in the preceding quarter.

As for the proforma results (after allocating the Sukuk related cost) of the power segment, profit before taxation for the current quarter of RM22.1 million, an increase of RM6.5 million compared to profit before taxation of RM15.6 million in the immediate preceding quarter, substantially due to scheduled maintenance cost incurred in the preceding quarter.

B3. Prospects

The utilisation of Public Offering proceeds of RM320 million to repay borrowings has resulted in substantial interest cost savings for the group.

The International Environment sector (especially China) is expected to experience growth following the signing of a strategic partnership with SIIC (as per disclosure in Note B7 (c)) to jointly expand its China's water business. The strategic partnership will enable the Joint Venture to :-

- i) Procure new wastewater concession contracts especially in the sector of industrial wastewater attributed by its synergised effect.
- ii) Provide retrofitting services to more than 80 units of water treatment plants of SIIC.
- iii) Obtain favourable financing terms and possibly facilitate tariff adjustment negotiation.
- iv) Commence work on projects that MOUs had been signed recently with the USD30 million working capital injection by SIIC. The fund injection will provide further platform for business expansion.

The collaboration will also mitigate any request for increase in local participation. The proceeds from the divestment allow Ranhill to embark on potential growth in power sector, international environment sector in Thailand and other potential investments.

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.

As for the power sector, apart from expected growth in electricity demand from the Company's current 2 X 190MW plants, the Company has received a letter from the Energy Commission to develop a 300 MW combined cycle gas turbine power plant in Sabah.

B4. Profit Forecast

Not applicable.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 THIRD QUARTER ENDED 30 SEPTEMBER 2016**



B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30/9/2016 RM'000	Preceding year quarter ⁽¹⁾ 30/9/2015 RM'000	Current year to date 30/9/2016 RM'000	Preceding year to date ⁽¹⁾ 30/9/2015 RM'000
Malaysia taxation:				
Current taxation	7,097	N/A	17,334	N/A
(Over)/under provision in prior years	(13)	N/A	(428)	N/A
Foreign taxation:				
Current taxation	(6)	N/A	40	N/A
Deferred taxation	1,596	N/A	954	N/A
Deferred taxation				
Current taxation	12,412	N/A	31,681	N/A
(Over)/under provision in prior years	(2,063)	N/A	(1,327)	N/A
	<u>19,023</u>	<u>N/A</u>	<u>48,254</u>	<u>N/A</u>

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 due to the non-allowable tax expenses such partial Sukuk redemption premium, IMTN redemption premium and Sukuk interest.

Notes:

N/A Not Applicable

- (1) No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2016



B6. Profit/ (Loss) before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30/9/2016 RM'000	Preceding year quarter ⁽¹⁾ 30/9/2015 RM'000	Current year to date 30/9/2016 RM'000	Preceding year to date ⁽¹⁾ 30/9/2015 RM'000
Amortisation of service concession assets	75,008	N/A	225,024	N/A
Amortisation of software	14	N/A	31	N/A
Amortisation of concession rights	51	N/A	75	N/A
Depreciation of property, plant and equipment	12,366	N/A	36,868	N/A
IMTN premium redemption	-	N/A	13,343	N/A
Negative goodwill arising from acquisition of remaining share in RWTC	2,026	N/A	(18,093)	N/A
Unrealised foreign exchange (gain)/loss	(2,746)	N/A	70	N/A
Realised foreign exchange (gain)/loss	764	N/A	(1,304)	N/A
Provision for liquidated ascertained damages	54	N/A	1,691	N/A
Property, plant and equipment written off	4	N/A	16	N/A
Allowance for impairments	-	N/A	521	N/A
(Gain)/Loss on disposal of property, plant and equipment	(282)	N/A	(304)	N/A
Sukuk premium redemption and related expenses	5,894	N/A	5,894	N/A

Notes:

N/A Not Applicable

- (1) No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.

B7. Status of Corporate Proposal Announced

- (a) The Company was successfully listed on 16 December 2015 upon completion of its reverse takeover exercise. During the quarter under review, the Company successfully raised RM386.785 million from the issuance of 322.321 million shares at a retail price of RM1.20 per share. Shares of Ranhill had commenced trading on Bursa Malaysia Securities Berhad on 16 March 2016. RM220 million was used to redeem IMTN in end March 2016 while another RM100 million has been deposited into a Fixed Payment Account to be utilised to partially redeem the SUKUK which has been paid on 29 August 2016.
- (b) On 20 May 2016, the Company has completed the Proposed Remaining RWT (Cayman) Acquisition in accordance with the terms of the RUSB SSA dated 20 June 2014 (and as supplemented on 28 November 2014) with final consideration of USD29,009,404.48. Accordingly, RWT (Cayman) has become a wholly owned subsidiary of Ranhill Holdings Berhad from the date hereof.
- (c) On 27 September 2016, RWTC, a wholly owned subsidiary of the Company has entered into a sales and purchase agreement (“SPA”) with SIIC Environment Holdings Limited (“SIIC”), Asia Wisdom Investment Limited (“AWIL”) in relation to the Proposed Divestment for a total cash consideration of RMB273.90 million (approximately RM169.11 million). The Proposed Divestment entails the divestment of 60% equity interest in Ranhill Water (Hong Kong) Limited (“RWHK”), a wholly owned subsidiary of RWTC comprising 159,989,376 ordinary shares to AWIL (“Purchaser”), an indirect wholly-owned subsidiary of SIIC.

The divestment is expected to be completed in December 2016.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B8. Group Borrowings

Particular of the Group's borrowings as at 30 September 2016 are as follows:

	As at 30.09.2016 RM'000
(i) Short Term Borrowings	
Secured :-	
- Bank Overdraft	1,310
- Term loan	16,163
- Banker acceptance	200
- Musharakah Medium Term Notes ("mMTN")	28,728
- SUKUK	55,296
	101,697
Unsecured:-	
- Bank Overdraft	2,893
- Term loan	529
- Banker acceptance	367
	3,789
	105,486
(ii) Long Term Borrowings	
Secured :-	
- Musharakah Medium Term Notes ("mMTN")	591,450
- Term loan	128,903
- SUKUK	543,711
	1,264,064
Unsecured :-	
- Convertible unsecured loan stocks ("CULS")	10,987
	1,275,051
	1,380,537
	-

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B8. Group Borrowings (continued)

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

		As at 30.09.2016 RM'000
(i) Short Term Borrowings		
Secured :-		
	Ringgit Malaysia	85,154
	Thailand Baht	3,255
	Chinese Renminbi	13,288
		101,697
Unsecured :-		
	Ringgit Malaysia	3,260
	Thailand Baht	529
		3,789
		105,486
(i) Long Term Borrowings		
Secured :-		
	Ringgit Malaysia	1,135,161
	Thailand Baht	11,604
	Chinese Renminbi	117,299
		1,264,064
Unsecured :-		
	Ringgit Malaysia	10,987
		1,275,051
		1,380,537

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B9. Changes in Material Litigation

The Company is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Company, and the Directors do not have any knowledge of any proceeding 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 Company, as at the date of this report.

B10. Realised and Unrealised Profits

The following analysis is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	As at 30.09.2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:	
- Realised	300,114
- Unrealised ^{N1}	123,691
	423,805
Total share of retained profits/(accumulated losses) from	
- Realised	
- Unrealised ^{N1}	(12,494)
	495,468
Less : consolidation adjustments ^{N2}	(285,268)
Total group retained profits as per group accounts	210,200

N1 The unrealised retained profits are mainly deferred tax provisions, net gains arising from re-measurement of assets and liabilities at fair value through profit or loss and translation gains or losses of monetary items denominated in a currency other than the functional currency.

N2 Consolidation adjustments are mainly eliminations of pre-acquisition profits or losses, fair value adjustments arising from the business combination and non-controlling interests' share of retained profits or accumulated losses.

**RANHILL HOLDINGS BERHAD (Company No: 1091059-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 THIRD QUARTER ENDED 30 SEPTEMBER 2016**



B11. Dividend Payable

The Company has declared a single tier interim dividend in respect of the financial year ending 31 December 2016 of 1.8 sen per share and was paid on 28 September 2016 to every member who is entitled to receive the dividend at the close of business on 14 September 2016.

B12. 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 QUARTER	
	Current year Quarter 30/9/2016 RM'000	Preceding year Quarter ⁽¹⁾ 30/9/2015 RM'000	Current Year-To-Date 30/9/2016 RM'000	Preceding Year-To-Date 30/9/2015 RM'000
<u>Basic earnings per share</u>				
Profit/(loss) attributable to members of the Company	14,142	N/A	58,815	N/A
Weighted Average Number of Ordinary Shares ('000)*	888,316	N/A	888,316	N/A
Earnings per share (Basic) (sen)	1.59	N/A	6.62	N/A

Notes:

N/A Not Applicable

* Based on the issued and paid-up share capital after completion of the public offering

(1) No comparative figures for preceding financial year's corresponding quarter and preceding financial year's period-to-date are available as the Company only assumed listing status on 16 December 2015 and commenced trading on Bursa Malaysia on 16 March 2016.

By Order of the Board
 Lau Bey Ling
 Leong Shiak Wan
 Company Secretaries
 Kuala Lumpur
 Date: 16 November 2016