Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the period ended 31 March 2019

	3 months ended 31.3.2019 RM'000 (Unaudited)	3 months ended 31.3.2018 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.2019 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.2018 RM'000 (Unaudited)
Revenue	2,007,345	1,604,234	2,007,345	1,604,234
Cost of sales	(1,640,555)	(1,266,434)	(1,640,555)	(1,266,434)
Gross profit	366,790	337,800	366,790	337,800
Other income	13,889	17,689	13,889	17,689
Administrative expenses	(57,850)	(53,895)	(57,850)	(53,895)
Other operating expenses	(32,297)	(31,394)	(32,297)	(31,394)
Results from operating activities	290,532	270,200	290,532	270,200
Finance income	60,031	59,645	60,031	59,645
Finance costs	(235,617)	(248,353)	(235,617)	(248,353)
Net finance costs	(175,586)	(188,708)	(175,586)	(188,708)
Share of profit of equity-accounted associates and a joint venture, net of tax	16,496	15,557	16,496	15,557
Profit before tax	131,442	97,049	131,442	97,049
Income tax expense	(51,824)	(29,678)	(51,824)	(29,678)
Profit for the period	79,618	67,371	79,618	67,371
Other comprehensive (expense)/income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(41,797)	75,400	(41,797)	75,400
Share of (loss)/gain on hedging reserve of equity-accounted associates	(15,923)	64,689	(15,923)	64,689
Foreign currency translation differences for foreign operations	(6,659)	(22,487)	(6,659)	(22,487)
Other comprehensive (expense)/income for the period	(64,379)	117,602	(64,379)	117,602
Total comprehensive income for the period	15,239	184,973	15,239	184,973

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the period ended 31 March 2019

	3 months ended 31.3.2019 RM'000 (Unaudited)	3 months ended 31.3.2018 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.2019 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.2018 RM'000 (Unaudited)
Profit attributable to :				
Owners of the Company	67,004	52,905	67,004	52,905
Non-controlling interests	12,614	14,466	12,614	14,466
Profit for the period	79,618	67,371	79,618	67,371
Total comprehensive income attributable to :				
Owners of the Company	2,625	170,507	2,625	170,507
Non-controlling interests	12,614	14,466	12,614	14,466
Total comprehensive income for the period	15,239	184,973	15,239	184,973
Earnings per ordinary share (sen)				
Basic/diluted	1.37	1.06	1.37	1.06

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 31 March 2019

	As at 31.3.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	13,332,042	13,443,183
Intangible assets	3,006,173	3,074,174
Prepaid lease payments	-	59,094
Investments in associates	1,514,776	1,529,720
Investment in a joint venture	-	-
Other investments	18,538	16,248
Finance lease receivable	1,995,403	2,018,982
Derivative financial assets	370,666	412,576
Trade and other receivables	68,581	71,144
Deferred tax assets	152,184	143,363
Total non-current assets	20,458,363	20,768,484
Current assets		
Trade and other receivables	2,176,428	2,213,285
Inventories	624,865	760,804
Current tax assets	135,746	127,768
Finance lease receivable	15,909	14,103
Other investments	4,119,236	3,582,478
Cash and cash equivalents	1,155,431	1,515,147
Total current assets	8,227,615	8,213,585
Total assets	**28,685,978**	**28,982,069**
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(97,901)	(97,606)
Reserves	67,365	131,744
Accumulated lossess	(38,634)	(82,425)
Equity attributable to owners of the Company	5,623,885	5,644,768
Perpetual sukuk	800,000	800,000
Non-controlling interests	232,300	219,686
Total equity	6,656,185	6,664,454
Non-current liabilities		
Loans and borrowings	13,163,827	13,315,158
Lease liabilities	12,702	-
Employee benefits	128,153	128,264
Provision for decommissioning cost	101,701	96,214
Deferred income	3,930,283	3,858,668
Derivative financial liabilities	216,082	179,539
Deferred tax liabilities	1,282,132	1,350,705
Total non-current liabilities	18,834,880	18,928,548

Condensed Consolidated Statements of Financial Position
As at 31 March 2019

	As at 31.3.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Current liabilities		
Trade and other payables	1,117,552	1,343,938
Current tax liabilities	86,534	75,170
Loans and borrowings	1,902,349	1,885,274
Derivative financial liabilities	30,064	26,271
Deferred income	58,414	58,414
Total current liabilities	3,194,913	3,389,067
Total liabilities	22,029,793	22,317,615
Total equity and liabilities	**28,685,978**	**28,982,069**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.15	1.15

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2019

	Attributable to owners of the Company								
	Non distributable				Distributable				
			Reserves						
	Share Capital RM'000	Treasury Shares RM'000	Translation RM'000	Hedging RM'000	Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2019	5,693,055	(97,606)	3,650	128,094	(82,425)	5,644,768	800,000	219,686	6,664,454
Adjustment on initial application of MFRS 16	-	-	-	-	(195)	(195)	-	-	(195)
At 1 January 2019, restated	5,693,055	(97,606)	3,650	128,094	(82,620)	5,644,573	800,000	219,686	6,664,259
Foreign currency translation differences for foreign operations	-	-	(6,659)	-	-	(6,659)	-	-	(6,659)
Cash flow hedge	-	-	-	(41,797)	-	(41,797)	-	-	(41,797)
Share of loss on hedging reserve of equity-accounted associates	-	-	-	(15,923)	-	(15,923)	-	-	(15,923)
Other comprehensive expense for the period	-	-	(6,659)	(57,720)	-	(64,379)	-	-	(64,379)
Profit for the period	-	-	-	-	67,004	67,004	-	12,614	79,618
Comprehensive (expense)/income for the period	-	-	(6,659)	(57,720)	67,004	2,625	-	12,614	15,239
Profit distribution of perpetual sukuk	-	-	-	-	(23,018)	(23,018)	-	-	(23,018)
Purchase of treasury shares	-	(295)	-	-	-	(295)	-	-	(295)
At 31 March 2019	5,693,055	(97,901)	(3,009)	70,374	(38,634)	5,623,885	800,000	232,300	6,656,185

Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2019

	Attributable to owners of the Company								
	Non distributable				Distributable				
			Reserves						
	Share Capital RM'000	Treasury Shares RM'000	Translation RM'000	Hedging RM'000	Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2018	5,693,055	(1,641)	5,145	175,398	(20,464)	5,851,493	800,000	225,570	6,877,063
Foreign currency translation differences for foreign operations	-	-	(22,487)	-	-	(22,487)	-	-	(22,487)
Cash flow hedge	-	-	-	75,400	-	75,400	-	-	75,400
Share of gain on hedging reserve of equity-accounted associates	-	-	-	64,689	-	64,689	-	-	64,689
Other comprehensive (expense)/income for the period	-	-	(22,487)	140,089	-	117,602	-	-	117,602
Profit for the period	-	-	-	-	52,905	52,905	-	14,466	67,371
Comprehensive (expense)/income for the period	-	-	(22,487)	140,089	52,905	170,507	-	14,466	184,973
Profit distribution of perpetual sukuk	-	-	-	-	(23,406)	(23,406)	-	-	(23,406)
Purchase of treasury shares	-	(48,207)	-	-	-	(48,207)	-	-	(48,207)
At 31 March 2018	5,693,055	(49,848)	(17,342)	315,487	9,035	5,950,387	800,000	240,036	6,990,423

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the period ended 31 March 2019

	3 months ended 31.3.2019 RM'000 (Unaudited)	3 months ended 31.3.2018 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	131,442	97,049
Adjustments for :		
Non cash-items	287,628	283,524
Finance costs	235,617	248,353
Finance income	(60,031)	(59,645)
Share of profit of equity-accounted associates and a joint venture, net of tax	(16,496)	(15,557)
Operating profit before changes in working capital	578,160	553,724
Changes in working capital:		
Net change in current assets	251,458	400,898
Net change in current liabilities	(257,615)	(501,292)
Net change in non-current liabilities	73,548	80,029
Cash generated from operations	645,551	533,359
Income taxes paid	(106,754)	(88,854)
Net cash from operating activities	538,797	444,505
Cash flows from investing activities		
Change in other investments	(536,758)	(1,046,247)
Dividends received from associates	-	1,359
Interest received	45,052	49,740
Other investment in Redeemable Cumulative Convertible Preference Shares	(2,290)	-
Purchase of property, plant and equipment	(26,902)	(74,346)
Redemption of unsecured loan stocks	-	(55,500)
Proceeds from redemption on unsecured loan stocks	-	23,961
Net cash used in investing activities	(520,898)	(1,101,033)
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(23,018)	(23,406)
Interest paid	(252,066)	(254,189)
Purchase of treasury shares	(295)	(48,207)
Redemption of preference shares	8,455	-
Repayment of borrowings	(109,152)	(80,744)
Payment of lease liabilities	(1,539)	-
Net cash used in financing activities	(377,615)	(406,546)

Condensed Consolidated Statements of Cash Flows
For the period ended 31 March 2019

	3 months ended 31.3.2019 RM'000 (Unaudited)	3 months ended 31.3.2018 RM'000 (Unaudited)
Net decrease in cash and cash equivalents	(359,716)	(1,063,074)
Cash and cash equivalents at beginning of the period/year	1,515,147	2,355,529
Cash and cash equivalents at end of the period/year	**1,155,431**	**1,292,455**
Cash and cash equivalents comprise :		
Cash and bank balances	247,402	309,530
Deposits with licensed banks and other licensed corporations	908,029	982,925
	1,155,431	**1,292,455**

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the interim financial statements

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

The audited financial statements of the Group for the financial year ended 31 December 2018 were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The significant accounting policies adopted in these interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2018, except the Group adopted the following MFRSs, Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2019 as follows:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The adoption of the above did not have any material impact on the financial statements of the Group, except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has applied the simplified transitional approach on the initial application date of 1 January 2019 and did not restate comparative amounts for the period prior to first adoption. Right-of-use assets were measured on transition as if the new rules had always been applied.

The impact on the Group's statement of financial position as at 1 January 2019 are as follows:

	As previously stated RM'000	Effects of MFRS 16 adoption RM'000	As restated RM'000
Non-current assets			
Property, plant and equipment	13,443,183	72,950	13,516,133
Prepaid lease payments	59,094	(59,094)	-
Non-current liabilities			
Lease liabilities	-	(14,051)	(14,051)
Equity			
Accumulated losses	(82,425)	195	(82,620)

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operations have not been affected by seasonal or cyclical factors.

4. Unusual items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review because of its nature, size and incidence.

5. Changes in estimates

There was no material change in financial estimates that could materially affect the current interim results.

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for the following:

i) Repayment of Tanjung Bin Energy Issuer Berhad's Sukuk Murabahah of RM30.0 million on 15 March 2019.

ii) Repurchased a total of 369,700 ordinary shares from the open market for a total consideration of RM295,560 at an average cost of RM0.80 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016. As at 31 March 2019, the total number of treasury shares held is 2.24% of the total paid up share capital of the Company.

7. Dividends paid

There was no dividend paid during the current quarter ended 31 March 2019.

8. Segment reporting

The Group's segmental reporting for the financial period ended 31 March 2019 is as follows:

	Local RM'000	Foreign RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	1,966,908	40,437	-	2,007,345
Inter-segment revenue	191,327	-	(191,327)	-
Total segment revenue	2,158,235	40,437	(191,327)	2,007,345
Profit after tax	76,904	6,309	(3,595)	79,618

The Group's segmental reporting for the corresponding financial period ended 31 March 2018 is as follows:

	Local RM'000	Foreign RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	1,561,876	42,358	-	1,604,234
Inter-segment revenue	201,206	1,359	(202,565)	-
Total segment revenue	1,763,082	43,717	(202,565)	1,604,234
Profit after tax	90,470	8,987	(32,086)	67,371

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 March 2019 except for the amounts carried forward pertaining to certain Group properties that had been revalued in the past.

10. Material events subsequent to the end of current interim period

On 18 April 2019, Green Biogas Sdn. Bhd. ("GBSB"), a subsidiary of the Company, entered into the Renewal Energy Power Purchase Agreement ("REPPA") as the Feed-in Approval Holder. GBSB has participated in a competitive Feed-in Tariff ("FiT") e-bidding exercise and submitted its bid for the 2.4MW Sungai Kachur Biogas Power Plant located in Kota Tinggi, Johor ("Project") on 30 November 2018. The Government of Malaysia, through Sustainable Energy Development Authority Malaysia ("SEDA"), had on 29 January 2019 announced that it had accepted GBSB's bid as one of the successful bidders.

Pursuant to the above and as required by SEDA, GBSB has entered into the REPPA with Tenaga Nasional Berhad for the sale of energy generated from the Project to TNB for a period of 21 years.

The REPPA regulates and governs the rights and obligations of TNB and GBSB in relation to the Project.

The Project is expected to have no material impact on the earnings and net assets of the Group for the financial year ended 31 December 2019.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 31 March 2019.

12. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2018 except for the following bank guarantees issued to third parties:

	31.3.2019 RM'mil	**31.12.2018** RM'mil
Company and subsidiaries	582.6	423.5

These guarantees mainly consist of performance bonds and security deposits for projects.

13. Capital commitments

Capital commitments of the Group not provided for in the interim financial report are as follows:

	31.3.2019 RM'mil	**31.12.2018** RM'mil
Property, plant and equipment:		
Authorised and contracted for	76.8	83.6
Authorised but not contracted for	210.2	245.9
	287.0	329.5

14. Related party transactions

	31.3.2019 RM'mil	**31.3.2018** RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	8.3	9.9

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

Quarter 1, 2019 vs Quarter 1, 2018

For the quarter ended 31 March 2019, the Group recorded RM2,007.3 million in revenue, a 25.1% increase from RM1,604.2 million reported in the corresponding quarter ended 31 March 2018, primarily due to higher energy payment recorded from Tanjung Bin Power Sdn. Bhd. ("TBP") and Tanjung Bin Energy Sdn. Bhd. ("TBE") coal plants on the back of higher applicable coal price.

Correspondingly, the Group recorded higher profit before taxation of RM131.4 million compared with RM97.0 million reported in corresponding quarter ended 31 March 2018, primarily attributed to improved contribution from TBE coal plant as there was no unplanned plant outage occurrence during the current quarter under review coupled with lower net finance costs. However, these were partially offset by higher operation and maintenance costs.

16. Variation of results against immediate preceding quarter

Quarter 1, 2019 vs Quarter 4, 2018

The Group recorded lower profit before taxation of RM131.4 million in the current quarter compared with RM156.5 million in the immediate preceding quarter, primarily attributed to higher operation and maintenance costs largely with respect to TBP's scheduled outage works and lower contributions from associates investments. This was partially moderated by improved contribution from TBE coal plant.

17. Current prospects

Power demand growth is expected to be sustained in 2019 driven by industrial and domestic segments, supported by the Government's continued commitment towards renewable energy ("RE").

The Group continues to prioritise the reliability and efficiency of its assets, especially the Tanjung Bin Energy ("TBE") power plant. The plant is currently undergoing a 70-day scheduled outage (31 Mar 2019 – 9 Jun 2019) for rectification and maintenance work. Upon completion, the TBE plant is expected to be more resilient going forward.

The Group expects to expand its RE business portfolio through strategic partnerships. The recent 21-year RE Power Purchase Agreement ("REPPA") entered between Green Biogass Sdn. Bhd. ("GBSB") with TNB for the proposed 2.4MW biogas power plant in Kota Tinggi, Johor will accelerate the Group's expansion into the RE segment.

The improved Net Energy Metering policy enables the Group to aggressively explore rooftop solar installation projects whilst the acquisition of Alam Flora Sdn. Bhd. which is expected to complete by end of 2019, enables the Group to expand into high potential waste and environmental related services.

Based on the foregoing, the Group expects performance to remain satisfactory for the financial year ending 31 December 2019.

18. Profit before tax

Profit before tax is stated after (crediting)/charging the following items:

	3 months ended 31.3.2019 RM'mil	3 months ended 31.3.2018 RM'mil	Cumulative 3 months ended 31.3.2019 RM'mil	Cumulative 3 months ended 31.3.2018 RM'mil
Finance income	(60.0)	(59.6)	(60.0)	(59.6)
Finance costs	235.6	248.4	235.6	248.4
Depreciation	208.4	206.5	208.4	206.5
Amortisation of intangibles assets	70.6	70.6	70.6	70.6
Net foreign exchange loss/(gain)	0.2	(0.1)	0.2	(0.1)

19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter.

20. Tax expense

	3 months ended 31.3.2019 RM'mil	3 months ended 31.3.2018 RM'mil	Cumulative 3 months ended 31.3.2019 RM'mil	Cumulative 3 months ended 31.3.2018 RM'mil
Current tax expense	117.1	106.4	117.1	106.4
Deferred tax expense	(65.3)	(76.7)	(65.3)	(76.7)
Total tax expense	51.8	29.7	51.8	29.7

The Group's effective tax rates for the current period were higher than the statutory income tax rate due to certain expenses not deductible for tax purposes.

21. Status of corporate proposals announced

i) Memorandum of Understanding ("MOU") with Touch Meccanica Sdn. Bhd. ("TMSB")

The Company and TMSB ("the Parties") are currently initiating full feasibility study at one of the potential sites and is targeted to be completed by end of August 2019. Subject to the outcome of the feasibility study, the Parties will then submit Feed-in Tariff application to Sustainable Energy Development Authority (SEDA).

ii) Proposed acquisition of 97.37% equity interest in Alam Flora Sdn. Bhd. ("Alam Flora") by Tunas Pancar Sdn. Bhd. ("TPSB")

On 1 August 2018, TPSB, a wholly-owned subsidiary of the Company entered into a conditional share sale agreement with HICOM Holdings Berhad ("HICOM Holdings" or "Vendor"), a wholly-owned subsidiary of DRB-HICOM Berhad for the acquisition of 74,000,000 ordinary shares in Alam Flora, representing 97.37% of its equity interest for a total cash consideration of RM944,610,000 ("Proposed Acquisition" or "SSA").

The Purchase Consideration for the Proposed Acquisition shall be satisfied in cash whereby TPSB:

(a) upon execution of the SSA, TPSB paid a sum of RM18,892,200 equivalent to 2% of the Purchase Consideration, being the deposit and part payment of the Purchase Consideration, to the Vendor's solicitors as stakeholders; and

(b) the balance of the Purchase Consideration of RM925,717,800 shall be paid by TPSB to the Vendor on completion of the Proposed Acquisition.

The Proposed Acquisition had been approved by the shareholders of the Company during Extraordinary General Meeting held on 2 October 2018.

On 31 January 2019, TPSB and HICOM Holdings have mutually agreed to extend the Cut-Off Date (as defined therein in the SSA) for a further period of six (6) months until 31 July 2019 in order to fulfil the conditions precedent of the SSA.

iii) Share buyback

The Company had during its 13th Annual General Meeting held on 25 April 2019, obtained shareholders' approval for the renewal of share buy-back authority to purchase the Company's own shares of up to 10% of the total number of issued shares subject to Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

22. Borrowings

	31.3.2019 RM'mil	**31.12.2018** RM'mil
Current		
- Secured	1,902.3	1,885.3
Non-current		
- Secured	13,133.8	13,285.1
- Unsecured	30.0	30.0
	13,163.8	13,315.1
	15,066.1	15,200.4

The breakdown of Group borrowings by currency is as follows:

	31.3.2019	31.12.2018
	RM'mil	RM'mil
Functional currency		
- RM	12,950.8	13,059.0
- AUD	1,804.9	1,827.1
- USD	310.4	314.3
	15,066.1	15,200.4

23. Changes in material litigation

i) Proceedings by the Public Prosecutor of Algeria against Almiyah Attilemcania SpA ("AAS")

On 4 September 2014, a joint venture of the Group, AAS, was charged in the Court of Ghazouet in the district of Tlemcen, Algeria, for an alleged breach of foreign exchange regulations concerning a sum of USD26.9 million. The Group holds an indirect effective interest of 35.7% in AAS via Tlemcen Desalination Investment Company SAS ("TDIC"), an indirect subsidiary of Malakoff International Limited.

In 2009, it was discovered that there was a considerable gap between the value of the delivered equipment received as per the invoices declared to the customs and the value of the milestone payments made by AAS to the supplier cum contractor ("Invoice Gap"). AAS wrote to the supplier cum contractor requesting for clarification as they are responsible to resolve tax and customs issues. The Invoice Gap however was not resolved by the supplier cum contractor and the Algerian Customs then initiated investigations and thereafter a charge was filed against AAS in respect of repression of foreign exchange regulations.

The Court had on 24 December 2014 convicted AAS and had subsequently imposed a penalty of DZD3,929,038,151 (approximately RM148.3 million at the exchange rate of RM1: DZD26.5) ("Penalty"). The Group's liability arising from the Penalty, in proportion to the Group's 35.7% effective interest in AAS via TDIC, which may impact the profit of the Group, amounts to DZD1,402,666,620 (approximately RM52.9 million). The Court of Appeal upheld the decision and the Penalty imposed by the Court on 2 March 2016.

Notwithstanding the decision of the Court, AAS has been advised by its solicitor, Maitre Hadjer Becha, an attorney admitted to the Algerian Supreme Court, that the Penalty would not be enforced until the exhaustion of all rights to appeal by AAS in respect of the proceedings.

AAS' solicitors had filed an appeal at the Supreme Court on 17 June 2016 and subsequently submitted the grounds of appeal on 9 August 2016. The Supreme Court has yet to deliver any decision on the appeal.

In 2016, the Group's carrying amount of investment in AAS has been fully provided in respect of the foregoing. Notwithstanding this, AAS will continue with the appeal until the exhaustion of all rights.

ii) *Request for Arbitration under International Chamber of Commerce International Court of Arbitration ("ICC") filed by Algerian Energy Company SPA ("AEC" or "Claimant") against (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB" or "Company") in relation to the Souk Tleta seawater desalination plant in the district of Tlemcen, Algeria ("Plant")*

On 19 March 2019, AEC had filed a Request for Arbitration ("Request") at ICC, Paris, against TDIC, Hyflux and MCB (collectively referred to as "Respondents") in relation to the Water Purchase Agreement dated 9 December 2007, Framework Agreement of December 2007 ("FA"), Joint Venture Agreement dated 28 March 2007 ("JVA") and Dispute Resolution Protocol dated 9 December 2007 ("DRP") (collectively referred to as "Contract Documents").

In the Request, the Claimant has alleged, amongst others, that the Respondents:

a) are liable for breaches and negligence in the design, operation and maintenance of the Plant; and
b) wrongly objected to the termination of the WPA, transfer of shares to AEC and carrying out of technical audit under the FA.

In this regard, the reliefs sought by the Claimant from the arbitral tribunal include, inter alia:

a) a declaration that the Respondents have breached their contractual obligations under the contracts between the parties, in particular the Contract Documents;
b) an order that the WPA was validly terminated for events of default;
c) an order for TDIC to transfer its shares in Almiyah Attilemcania SpA ("AAS"), the project company, to AEC at the price of 1 Algerian Dinar;
d) an order for the Respondents to indemnify AEC for damages incurred as a result of their breaches, estimated on an interim basis at 80 Million Euro;
e) an order for the Respondents to pay all the costs for the Plant rehabilitation to be completed by a third party to be selected by AEC; and
f) an order for the Respondents to guarantee the payment or reimburse the fine of 3,929 million Algerian Dinar (imposed on AAS by Algerian courts and currently pending outcome of AAS' appeal at Algerian Supreme Court).

MCB has appointed international arbitration lawyers in Paris and Kuala Lumpur to advise on the Request and take the necessary steps to defend its position and vigorously challenge AEC's claims in the ICC arbitration, and possibly counterclaim against AEC.

The Request is not expected to have any operational impact to MCB Group. The financial impact, if any, of the Request, cannot be determined with finality at this juncture as the claims are still being reviewed by MCB's lawyers.

24. Dividend Payable

No interim dividend has been recommended by the Directors for the quarter ended 31 March 2019 (31 March 2018: Nil).

A final single-tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2018 payable on 31 May 2019 was approved during the Company's 13th Annual General Meeting held on 25 April 2019.

25. Earnings per ordinary share

	3 months ended 31.3.2019	3 months ended 31.3.2018	Cumulative 3 months ended 31.3.2019	Cumulative 3 months ended 31.3.2018
Basic/Diluted Earnings per Ordinary Share				
Profit for the period attributable to owners of the Company (RM'mil)	67.0	52.9	67.0	52.9
Weighted average number of ordinary shares ('mil)	4,887.9	4,981.3	4,887.9	4,981.3
Basic/diluted earnings per ordinary share (sen)	1.37	1.06	1.37	1.06

26. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 27 May 2019.

By Order of the Board
Yeoh Soo Mei (MAICSA No.7032259)
Sharifah Ashtura Jamalullail binti Syed Osman (LS 0009113)
Secretaries
Kuala Lumpur
27 May 2019