

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 31 March 2023

	3 months ended 31.03.2023 RM'000 (Unaudited)	3 months ended 31.03.2022 RM'000 (Unaudited)	Cumulative 3 months ended 31.03.2023 RM'000 (Unaudited)	Cumulative 3 months ended 31.03.2022 RM'000 (Unaudited)
Revenue	2,285,148	1,883,774	2,285,148	1,883,774
Cost of sales	(2,161,989)	(1,618,180)	(2,161,989)	(1,618,180)
Gross profit	123,159	265,594	123,159	265,594
Other income	3,863	6,318	3,863	6,318
Administrative expenses	(62,262)	(52,817)	(62,262)	(52,817)
Impairment loss on financial instruments	-	(6,107)	-	(6,107)
Other operating expenses	(45,298)	(28,744)	(45,298)	(28,744)
Results from operating activities	19,462	184,244	19,462	184,244
Finance income	19,933	23,915	19,933	23,915
Finance costs	(143,454)	(157,679)	(143,454)	(157,679)
Net finance costs	(123,521)	(133,764)	(123,521)	(133,764)
Share of profit of equity-accounted associates and joint ventures, net of tax	19,622	47,701	19,622	47,701
(Loss)/Profit before tax	(84,437)	98,181	(84,437)	98,181
Tax expense	13,185	(28,419)	13,185	(28,419)
(Loss)/Profit for the period	(71,252)	69,762	(71,252)	69,762
Other comprehensive (expense)/income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(3,536)	11,516	(3,536)	11,516
Share of (loss)/gain on hedging reserve of equity-accounted associates and joint ventures	(19,452)	46,031	(19,452)	46,031
Foreign currency translation differences for foreign operations	2,134	2,396	2,134	2,396
	(20,854)	59,943	(20,854)	59,943
Other comprehensive (expense)/income for the period	(20,854)	59,943	(20,854)	59,943
Total comprehensive (expense)/ income for the period	(92,106)	129,705	(92,106)	129,705

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(Loss)/Profit attributable to:				
Equity holders of the Company	(75,689)	50,881	(75,689)	50,881
Non-controlling interests	4,437	18,881	4,437	18,881
(Loss)/Profit for the period	<u>(71,252)</u>	<u>69,762</u>	<u>(71,252)</u>	<u>69,762</u>
Total comprehensive (expense)/income attributable to:				
Equity holders of the Company	(96,543)	110,824	(96,543)	110,824
Non-controlling interests	4,437	18,881	4,437	18,881
Total comprehensive (expense)/income for the period	<u>(92,106)</u>	<u>129,705</u>	<u>(92,106)</u>	<u>129,705</u>
Earnings per ordinary share (sen)				
Basic/diluted, restated	(2.03)	0.56	(2.03)	0.56

Condensed Consolidated Statements Of Financial Position
As At 31 March 2023

	As at 31.03.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
Assets		
Property, plant and equipment	10,808,640	10,956,764
Right-of-use assets	88,710	89,001
Investment properties	15,600	15,600
Concession assets	131,100	134,629
Intangible assets	2,457,484	2,527,206
Investments in associates	993,941	991,707
Investments in joint ventures	833,321	835,907
Other investments	2,484	2,484
Derivative financial assets	49,933	74,275
Trade and other receivables	8,685	11,435
Deferred tax assets	257,834	234,291
Total non-current assets	15,647,732	15,873,299
Derivative financial assets	49,441	46,558
Trade and other receivables	908,880	2,086,908
Inventories	2,082,789	1,681,346
Current tax assets	68,653	63,348
Other investments	930,406	692,740
Cash and cash equivalents	2,180,113	1,539,630
Total current assets	6,220,282	6,110,530
Total assets	21,868,014	21,983,829
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	304,282	325,136
Accumulated losses	(457,566)	(358,471)
Equity attributable to owners of the Company	5,441,124	5,561,073
Perpetual sukuk	800,000	800,000
Non-controlling interests	339,182	334,745
Total equity	6,580,306	6,695,818
Liabilities		
Loans and borrowings	7,635,607	7,771,205
Lease liabilities	14,109	13,032
Employee benefits	58,344	78,766
Provision for decommissioning costs	210,446	207,846
Provision for concession assets	188,895	186,984
Deferred income	2,767,783	2,825,693
Deferred tax liabilities	981,434	996,502
Total non-current liabilities	11,856,618	12,080,028

Condensed Consolidated Statements Of Financial Position
As At 31 March 2023

	As at 31.03.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
Trade and other payables	1,919,482	1,599,445
Current tax liabilities	9,118	99,229
Loans and borrowings	965,806	972,203
Lease liabilities	7,664	7,998
Provision for decommissioning costs	53,001	53,001
Provision for concession assets	143,775	143,775
Employee benefits	8,713	8,713
Deferred income	323,513	323,513
Derivative financial liabilities	18	106
Total current liabilities	<u>3,431,090</u>	<u>3,207,983</u>
Total liabilities	<u>15,287,708</u>	<u>15,288,011</u>
Total equity and liabilities	<u>21,868,014</u>	<u>21,983,829</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.11	1.14

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 31 March 2023**

	/----- Attributable to owners of the Company -----/								
	/----- Non-distributable -----/				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			Translation RM'000	Hedging RM'000					
At 1 January 2023	5,693,055	(98,647)	10,479	314,657	(358,471)	5,561,073	800,000	334,745	6,695,818
Foreign currency translation differences for foreign operations	-	-	2,134	-	-	2,134	-	-	2,134
Cash flow hedge	-	-	-	(3,536)	-	(3,536)	-	-	(3,536)
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(19,452)	-	(19,452)	-	-	(19,452)
Other comprehensive income/(expense) for the period	-	-	2,134	(22,988)	-	(20,854)	-	-	(20,854)
(Loss)/Profit for the period	-	-	-	-	(75,689)	(75,689)	-	4,437	(71,252)
Comprehensive income/(expense) for the period	-	-	2,134	(22,988)	(75,689)	(96,543)	-	4,437	(92,106)
Distribution to holder of perpetual sukuk	-	-	-	-	(23,406)	(23,406)	-	-	(23,406)
At 31 March 2023	5,693,055	(98,647)	12,613	291,669	(457,566)	5,441,124	800,000	339,182	6,580,306

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 31 March 2023**

	/----- Attributable to owners of the Company -----/				/----- Non-distributable -----/ Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			Translation RM'000	Hedging RM'000					
At 1 January 2022	5,693,055	(98,647)	(5,975)	205,777	(399,172)	5,395,038	800,000	311,688	6,506,726
Foreign currency translation differences for foreign operations	-	-	2,396	-	-	2,396	-	-	2,396
Cash flow hedge	-	-	-	11,516	-	11,516	-	-	11,516
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	46,031	-	46,031	-	-	46,031
Other comprehensive income for the period	-	-	2,396	57,547	-	59,943	-	-	59,943
Profit for the period	-	-	-	-	50,881	50,881	-	18,881	69,762
Comprehensive income for the period	-	-	2,396	57,547	50,881	110,824	-	18,881	129,705
Distribution to holder of perpetual sukuk	-	-	-	-	(23,406)	(23,406)	-	-	(23,406)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(1,852)	(1,852)
Total distribution to owners	-	-	-	-	-	-	-	(1,852)	(1,852)
At 31 March 2022	5,693,055	(98,647)	(3,579)	263,324	(371,697)	5,482,456	800,000	328,717	6,611,173

Condensed Consolidated Statements Of Cash Flows
For the Period Ended 31 March 2023

	3 months ended 31.03.2023 RM'000 (Unaudited)	3 months ended 31.03.2022 RM'000 (Unaudited)
Cash flows from operating activities		
(Loss)/Profit before tax	(84,437)	98,181
Adjustments for :		
Non cash-items	303,752	333,185
Finance costs	143,454	157,679
Finance income	(19,933)	(23,915)
Share of profit of equity-accounted associates and joint ventures, net of tax	(19,622)	(47,701)
Operating profit before changes in working capital	<u>323,214</u>	<u>517,429</u>
<i>Changes in working capital:</i>		
Net change in current assets	774,108	(63,464)
Net change in current liabilities	337,185	(160,160)
Net change in non-current liabilities	(79,077)	(73,477)
Cash generated from operations	<u>1,355,430</u>	<u>220,328</u>
Tax paid, net	(122,111)	(77,182)
Net cash from operating activities	<u>1,233,319</u>	<u>143,146</u>
Cash flows from investing activities		
Change in other investments	(237,666)	746,551
Interest received	18,448	23,033
Purchase of property, plant and equipment	(48,236)	(158,180)
Proceeds from disposal of property, plant and equipment	-	6
Net cash (used in)/from investing activities	<u>(267,454)</u>	<u>611,410</u>
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(23,406)	(23,406)
Redemption of preference shares to non-controlling interests	-	(1,852)
Interest paid	(160,890)	(171,704)
Repayment of borrowings	(138,400)	(123,668)
Payment of lease liabilities	(2,686)	(2,773)
Net cash used in financing activities	<u>(325,382)</u>	<u>(323,403)</u>
Net increase in cash and cash equivalents	640,483	431,153
Cash and cash equivalents at beginning of the period	<u>1,539,630</u>	<u>1,568,819</u>
Cash and cash equivalents at end of the period	<u>2,180,113</u>	<u>1,999,972</u>
Cash and cash equivalents comprise :		
Cash and bank balances	1,253,277	809,440
Deposits with licensed banks and other licensed corporations	926,836	1,190,532
	<u>2,180,113</u>	<u>1,999,972</u>

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 2022 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 2022 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 2022, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023 as follows:

- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above did not have any material impact on the financial statements of the Group.

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2022 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

Coal prices had seen a significant increase in 2021 and 2022, largely attributed to the increase in global coal demand from China and Europe post Covid 19 following the economic reopening, further aggravated by the ongoing Russia-Ukraine conflict.

The coal prices, however, are seeing a downtrend from December 2022 through mid 2023 in line with the reducing demand for coal as the EU started to source energy supply from alternative countries and developments in renewable energy transition, resulting in material adverse effect on the Group's income statement for the current quarter ended 31 March 2023 of RM72 million due to negative fuel margin at Tanjung Bin Power Sdn. Bhd. and Tanjung Bin Energy Sdn. Bhd. coal plants.

Save for the above, 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 made in prior financial year 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 under review except for the scheduled repayment of Tanjung Bin Energy Sdn. Bhd.'s Sukuk Murabahah of RM30.0 million.

7. Dividends paid

There was no dividend paid during the current quarter ended 31 March 2023.

8. Segment reporting

The Group's segmental reporting for the financial period ended 31 March 2023 is as follows:

	<u>Power generation</u>			<u>Waste Management and Environmental Services</u>	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue from external customers	2,021,890	-	2,021,890	220,704	42,554	-	42,554	-	-	-	2,285,148	-	2,285,148
Inter-segment revenue	-	-	-	-	133,202	-	133,202	(133,202)	-	(133,202)	-	-	-
Total segment revenue	2,021,890	-	2,021,890	220,704	175,756	-	175,756	(133,202)	-	(133,202)	2,285,148	-	2,285,148
Loss after tax	11,019	17,459	28,478	28,750	(72,359)	(1,634)	(73,993)	(51,739)	(2,748)	(54,487)	(84,329)	13,077	(71,252)

The Group's segmental reporting for the corresponding financial period ended 31 March 2022 is as follows:

	<u>Power generation</u>			Waste Management and Environmental Services	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	Local	Foreign	Total	Local	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	1,638,188	-	1,638,188	215,616	29,970	-	29,970	-	-	-	1,883,774	-	1,883,774
Inter-segment revenue	-	-	-	-	172,286	-	172,286	(172,286)	-	(172,286)	-	-	-
Total segment revenue	1,638,188	-	1,638,188	215,616	202,256	-	202,256	(172,286)	-	(172,286)	1,883,774	-	1,883,774
Profit after tax	127,358	47,701	175,059	34,340	(75,263)	(600)	(75,863)	(59,925)	(3,849)	(63,774)	26,510	43,252	69,762

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 March 2023 except for the amounts carried forward pertaining to certain Group properties that had been revalued in the past.

10. Events subsequent to the end of the current interim period

There was no material event subsequent to the end of the current quarter ended 31 March 2023.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 31 March 2023.

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 2022 except for the following bank guarantees issued to third parties:

	31.3.2023	31.12.2022
	RM'mil	RM'mil
Company and subsidiaries	<u>571.3</u>	<u>537.4</u>

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:

	31.3.2023	31.12.2022
	RM'mil	RM'mil
Property, plant and equipment:		
Authorised and contracted for	23.4	58.1
Authorised but not contracted for	<u>1,008.8</u>	<u>1,037.2</u>
	<u><u>1,032.2</u></u>	<u><u>1,095.3</u></u>

14. Related party transactions

	31.3.2023	31.3.2022
	RM'mil	RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	<u>-</u>	<u>6.1</u>

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

Quarter 1, 2023 vs Quarter 1, 2022

For the quarter ended 31 March 2023, the Group recorded RM2,285.1 million in revenue, an increase of RM401.3 million or 21.3% from RM1,883.8 million reported in the corresponding quarter ended 31 March 2022, primarily due to higher energy payments recorded from Tanjung Bin Power Sdn. Bhd. (“TBP”) and Tanjung Bin Energy Sdn. Bhd. (“TBE”) on the back of the higher applicable coal price (“ACP”).

Conversely, the Group recorded loss before taxation of RM84.4 million, a significant reduction of RM182.6 million from profit before taxation of RM98.2 million reported in the corresponding quarter ended 31 March 2022, primarily due to substantial negative fuel margin recorded at TBP and TBE coal plants impacted by higher weighted average fuel costs, lower share of profit from associates and joint ventures as well as higher operating insurance costs. However, these were partially moderated by higher capacity income from TBE, lower net finance costs in line with schedule repayments of loans and borrowings as well as lower depreciation and amortisation charges.

16. Variation of results against immediate preceding quarter

Quarter 1, 2023 vs Quarter 4, 2022

The Group recorded loss before taxation of RM84.4 million, a significant reduction of RM245.7 million from profit before taxation of RM161.3 million reported in the immediate preceding quarter ended 31 December 2022, primarily due to substantial negative fuel margin recorded at TBP and TBE coal plants impacted by the higher weighted average fuel costs, absence of insurance claims on Low-Pressure Turbine blade failure events which occurred at TBE’s plant and lower share of profit from associates and joint ventures. However, these were partially moderated by absence of impairment loss on carrying value of investment in KEV, a 40%-owned local associate and Al-Hidd IWPP, a 40%-owned foreign associate, lower operation and maintenance costs as well as lower depreciation and amortisation charges.

17. Current prospects

Malaysia’s Gross Domestic Product (“GDP”) grew by 5.6% in the first quarter of 2023 supported by further expansion of household spending, continued investment activity, improving labour market conditions and higher tourism activities. The Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. (*Source: BNM’s Economic & Financial Developments in Malaysia in the First Quarter of 2023*).

Coal prices have been retreating from their highs in 2022, in line with the reducing demand for coal as the EU started to source energy supply from alternative countries and developments in renewable energy transition amid global energy crisis. This has been reflected in the Applicable Coal Price (“ACP”) for the current quarter under review and is expected to further decline in the medium term of 2023. The Group’s thermal assets continue to focus on its operational efficiencies to enhance reliability and availability, as it mitigates the impact of reduced fuel margin.

On the Renewable Energy (“RE”) front, the Group continues to make steady headway in its solar business as the partner-of-choice and has been awarded new rooftop solar projects totalling 2.77 MWp.

On 21 March 2023, the Group entered into a Heads of Agreement with Rising Promenade Sdn. Bhd., RP Hydro (Kelantan) Sdn. Bhd. (“RPHK”) and Rising O&M Engineering Services Sdn. Bhd. in relation to the participation in the development, design, financing, insurance, procurement, construction, installation, testing, commissioning, ownership, operation, management, and maintenance of three (3) hydroelectric renewable energy plants namely Kemubu Small Hydropower Plant (“SHP”) of 29.0MW, Kuala Geris SHP of 25.0MW, and Serasa SHP of 30.0MW, all located in the District of Kuala Krai, Kelantan (“Project”). The Group will participate in the project through the purchase of 70% ordinary shares and subscription of up to 250 million preference shares in RPHK as disclosed in Note 21. The project will add a capacity of 84.0MW to the Group’s RE portfolio and is expected to provide the Group with a steady income flow.

Under the Environmental Solutions segment, Alam Flora Environmental Solutions (“AFES”) continues to innovate its facility management services by introducing “Fasilita” cleaning services for communities within the Klang Valley area.

The Group expects challenges to the overall performance for the financial year ending 31 December 2023 given the declining trend in the global coal prices which is estimated to continue in the medium term of 2023. Nonetheless, the Group will continue to optimize its plants operational efficiencies to cushion the adverse impact.

18. (Loss)/Profit before tax

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

	3 months ended 31.3.2023	3 months ended 31.3.2022	Cumulative 3 months ended 31.3.2023	Cumulative 3 months ended 31.3.2022
	RM’mil	RM’mil	RM’mil	RM’mil
Finance income	(19.9)	(23.9)	(19.9)	(23.9)
Finance costs	143.5	157.7	143.5	157.7
Depreciation	200.2	231.8	200.2	231.8
Amortisation of intangibles assets	72.6	79.0	72.6	79.0
Impairment loss on financial instruments	-	6.1	-	6.1
Net foreign exchange (gain)/loss	(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 ended 31 March 2023.

20. Tax expense

	3 months ended 31.3.2023	3 months ended 31.3.2022	Cumulative 3 months ended 31.3.2023	Cumulative 3 months ended 31.3.2022
	RM'mil	RM'mil	RM'mil	RM'mil
Current tax expense	26.0	64.1	26.0	64.1
Deferred tax expense	(39.2)	(35.7)	(39.2)	(35.7)
Total tax expense	<u>(13.2)</u>	<u>28.4</u>	<u>(13.2)</u>	<u>28.4</u>

The effective tax rate for the current quarter under review does not reflect the statutory tax rate as the Group reported a net tax benefit mainly due to losses recorded by certain subsidiaries and expenses which are not deductible for tax purposes.

21. Status of corporate proposal announced

Definitive Agreements between Rising Promenade Sdn. Bhd. (“RPSB”), RP Hydro (Kelantan) Sdn. Bhd. (“RPHK”), Rising O&M Engineering Services Sdn. Bhd. (“ROMES”), Tuah Utama Sdn. Bhd. (“TUSB”) and Malakoff Technical Solutions Sdn. Bhd. (“MTSSB”)

On 21 March 2023, the Company together with its wholly-owned subsidiaries, TUSB and MTSSB entered into a Heads of Agreement with RPSB, RPHK and ROMES which sets out the principal parameters between the parties in relation to their respective participation in the development, design, financing, insurance, procurement, construction, installation, testing, commissioning, ownership, operation, management and maintenance of three (3) hydroelectric renewable energy plants, namely Kemubu Small Hydropower Plant (“SHP”), Kuala Geris SHP and Serasa SHP with installed capacity of 29.0MW, 25.0MW and 30.0MW respectively, all located in the District of Kuala Krai, Kelantan (“Project”).

MCB's participation in the Project is by way of:

- a) the purchase of 70% ordinary shares in RPHK through TUSB;
- b) the subscription of up to 250,000,000 preference shares in RPHK through TUSB; and
- c) the purchase of 70% ordinary shares in ROMES from RPSB for the Project through MTSSB.

Barring any unforeseen circumstances and subject to all conditions precedent being fulfilled, the share sales and purchase agreements (“SSPA”) are expected to be completed within three (3) months from the signing date of the Heads of Agreement. The Company will make the necessary announcement upon the execution of the SSPA.

22. Borrowings

	31.3.2023	31.12.2022
	RM'mil	RM'mil
Current		
- Secured	935.8	942.2
- Unsecured	30.0	30.0
	<u>965.8</u>	<u>972.2</u>
Non-current		
- Secured	7,635.6	7,771.2
	<u>8,601.4</u>	<u>8,743.4</u>

The breakdown of Group borrowings by currency is as follows:

	31.3.2023	31.12.2022
	RM'mil	RM'mil
Functional currency		
- RM	8,358.5	8,502.0
- USD	242.9	241.4
	<u>8,601.4</u>	<u>8,743.4</u>

23. Changes in material litigation

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

There was no material change during the quarter under review.

- ii) *International Chamber of Commerce International Court of Arbitration ("ICC") Arbitration No. 24250/DDA between Algerian Energy Company SPA ("AEC" or "Claimant") and (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB") in relation to Souk Tleta Seawater Desalination Plant in Tlemcen, Algeria ("Plant")*

On 19 March 2019, AEC had initiated the Arbitration at ICC, Paris, against TDIC, an indirect 70%-owned subsidiary of the Group, 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 (collectively referred to as "Contract Documents").

On 2 August 2021, the Claimant filed its Statement of Claim, seeking the following reliefs against the Respondents:

- a declaration that MCB and Hyflux had breached, and are jointly and severally liable under, the JVA;
- an order that MCB and Hyflux jointly and severally pay AEC damages of USD288.4 million as compensation for the damage suffered by AEC;
- a declaration that TDIC had breached Article 6.1 of the FA by refusing to transfer its shares in AAS to AEC;

- (d) an order that TDIC transfer its shares in AAS to AEC for the sum of 1 Algerian Dinar;
- (e) an order that MCB and Hyflux complete the transfer of shares within 30 days of the date of the arbitration award;
- (f) an order that the Respondents jointly and severally bear all costs related to the transfer of shares;
- (g) a declaration that the Respondents had caused moral and reputational damage to AEC;
- (h) an order that the Respondents jointly and severally pay AEC non-pecuniary damages in the sum of USD3 million;
- (i) an order that the Respondents jointly and severally bear the costs of the ICC arbitration and fees of counsels, experts and others incurred by AEC;
- (j) interest;
- (k) dismissal of any claims by the Respondents; and
- (l) an order for the provisional enforcement of the final award.

In response, MCB and TDIC filed their Statement of Defence together with technical, quantum/financial and legal expert reports, refuting AEC's claims, on 17 December 2021.

On 19 April 2022, AEC filed its Statement of Reply and on 29 July 2022, MCB and TDIC filed their Rejoinder to AEC's Statement of Reply.

The arbitration hearing was held before the Arbitral Tribunal in Paris on 21 to 24 November 2022.

Subsequent to the hearing, the Arbitral Tribunal had ordered the Parties to prepare and submit Post-Hearing Brief and Statement of Costs ("SOC") by 15 March 2023 and 14 April 2023, respectively. The Parties have complied with the directions of the Tribunal and submitted their Post-Hearing Brief and Statement of Costs accordingly.

- iii) *Singapore International Arbitration Centre Arbitration No. 278 of 2018 Claim 1 (formerly Main Action) between Prai Power Sdn Bhd ("PPSB") (as Claimant) and (1) GE Energy Parts, Inc ("GE Energy Parts"), (2) GE Power Systems (Malaysia) Sdn Bhd ("GE Power Systems"), (3) General Electric International, Inc ("GE International"), and (4) General Electric Company ("GE") (collectively "GE Entities") (as Respondents); and Claim 2 (formerly Third Party Claim) between GE Entities (as Claimants) and (1) Malakoff Power Berhad ("MPB"), and (2) Malakoff Corporation Berhad ("MCB") (collectively "Malakoff Entities") (as Respondents), in relation to Prai Power Plant*

On 24 September 2018, Allianz General Insurance Company (Malaysia) Berhad initiated the arbitration as a subrogated action, in the name of PPSB, against GE Entities, in relation to an incident on or about 18 July 2015 ("2015 Incident") which resulted in damage to a gas turbine at PPSB's 350MW Combined Cycle Gas Turbine Power Plant situated in Prai, Penang ("Prai Power Plant").

PPSB alleged that GE Entities breached a duty to exercise reasonable care and skill to properly design, manufacture, supply and install a GE 109FA single shaft gas turbine at the Prai Power Plant. By reason of the alleged breach, PPSB claims for, among others, loss and damage in the sum of RM72,094,050 from GE Entities.

In addition to filing their defence on 22 April 2019, GE Entities filed a Counterclaim against PPSB alleging breach of:

- a) a Settlement and Release Agreement between GE Entities, PPSB and Malakoff Entities which was entered into on 12 December 2012 (“SRA”) for resolution of disputes in relation to two incidents at the Prai Power Plant which occurred in 2006 and 2009; and
- b) an agreement between PPSB, GE Energy Parts and GE Power System which was entered into on 19 December 2000 (“PPSB Agreement”) in relation to a Long-Term Service Agreement between MPB, GE Energy Parts and GE Power System.

On 9 August 2019, GE Entities filed a Joinder Application, seeking to join Malakoff Entities as parties to GE Entities’ Counterclaim. GE Entities alleged that:

- a) the commencement of the arbitration constitutes a breach of the SRA, in respect of which Malakoff Entities are liable;
- b) Malakoff Entities are liable to indemnify GE Entities against any liability under the arbitration; and
- c) if GE Entities are found liable for the 2015 Incident, MPB is liable for contributory negligence as the operator of the Prai Power Plant.

On 20 June 2020, the Arbitral Tribunal granted the Joinder Application to join Malakoff Entities as the Respondents in Claim 2 of GE Entities.

Following the passing of a member of the Arbitral Tribunal on 29 January 2023, the hearing dates scheduled in March 2023 have been vacated and the arbitration is now pending the appointment of a substitute arbitrator in accordance with the SIAC Rules and further directions from the Arbitral Tribunal.

On 17 March 2023, SIAC confirmed the appointment of Dato’ Anantham Kasinather as the substitute co-arbitrator.

On 10 April 2023, following discussions between the parties and the Tribunal, the Tribunal has fixed 7 to 24 March 2024 as the new dates for hearing of the merits.

24. Dividend Payable

No interim dividend has been recommended by the Directors for the quarter ended 31 March 2023 (31 March 2022: Nil).

On 11 March 2023, the Board of Directors has approved and declared a final dividend of 2.45 sen per ordinary share in respect of the financial year ended 31 December 2022. The final dividend will be paid on 26 May 2023 to shareholders registered in the record of depositors at the close of business on 28 April 2023.

25. Earnings per ordinary share

	3 months ended 31.3.2023	3 months ended 31.3.2022	Cumulative 3 months ended 31.3.2023	Cumulative 3 months ended 31.3.2022
Basic/Diluted Earnings per Ordinary Share				
(Loss)/Profit for the period attributable to equity holders (RM mil)	(75.7)	50.9	(75.7)	50.9
Distribution to perpetual sukuk holder (RM mil)	(23.4)	(23.4)	(23.4)	(23.4)
(Loss)/Profit for the period attributable to ordinary shareholders (RM mil)	(99.1)	27.5	(99.1)	27.5
Weighted average number of ordinary shares (mil)	4,887.0	4,887.0	4,887.0	4,887.0
Basic/diluted earnings per ordinary share (sen), restated [#]	(2.03)	0.56	(2.03)	0.56

Note[#] - The comparatives have been restated to exclude the distribution to perpetual sukuk holder from profit attributable to ordinary shareholders.

26. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 May 2023.

By Order of the Board
 Noor Raniz bin Mat Nor (MAICSA No.7061903)
 Zaidatul Neezma binti Zainal Abidin (MACS 01677)
 Secretaries
 Kuala Lumpur
 26 May 2023