Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the year ended 31 December 2015

	3 months ended 31.12.2015 RM'000 (Unaudited)	3 months ended 31.12.2014 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2015 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2014 RM'000 (Audited)
Revenue	1,375,997	1,482,411	5,301,987	5,594,484
Cost of sales	(989,113)	(1,050,847)	(3,699,687)	(3,956,082)
Gross profit	386,884	431,564	1,602,300	1,638,402
Other income	33,246	71,472	71,987	95,343
Administrative expenses	(76,834)	(62,443)	(216,344)	(228,122)
Other operating expenses	(40,200)	(60,138)	(149,085)	(234,231)
Results from operating activities	303,096	380,455	1,308,858	1,271,392
Finance income	51,275	48,365	192,053	132,688
Finance costs	(191,826)	(227,311)	(794,618)	(911,242)
Net finance costs	(140,551)	(178,946)	(602,565)	(778,554)
Other non-operating income	-	-	-	60,979
Share of profit/(loss) of equity-accounted associates and a joint venture, net of tax	7,416	441	(4,253)	41,667
Profit before tax	169,961	201,950	702,040	595,484
Income tax expense	(61,844)	(69,089)	(206,144)	(182,640)
Profit for the period/year	108,117	132,861	495,896	412,844
Other comprehensive income/(expense), net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(537)	2,447	(537)	413
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(51,741)	19,662	(31,085)	(78,095)
Share of profit/(loss) on hedging reserve of equity-accounted associates	94,183	(15,076)	(24,615)	(22,608)
Foreign currency translation differences for foreign operations	(32,274)	(389)	32,049	5,166
	10,168	4,197	(23,651)	(95,537)
Other comprehensive income/(expense) for the period/year	9,631	6,644	(24,188)	(95,124)
Total comprehensive income for the period/year	117,748	139,505	471,708	317,720
Profit attributable to :				
Owners of the Company	107,021	112,691	453,234	341,549
Non-controlling interests	1,096	20,170	42,662	71,295
Profit for the period/year	108,117	132,861	495,896	412,844
Total comprehensive income attributable to :				
Owners of the Company	116,652	119,335	429,046	246,425
Non-controlling interests	1,096	20,170	42,662	71,295
Total comprehensive income for the period/year	117,748	139,505	471,708	317,720
Earnings per ordinary share attributable to owners of the Company				
Basic (sen)	2.14 ^	3.15 ^	10.00 ^	9.53 ^
Diluted (sen)	2.14 ^	2.82 ^	9.78 ^	8.54 ^

^ - Based on the Weighted Average Number of Ordinary Shares as disclosed in Note 26.

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Company dated 17 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 31 December 2015

	As at 31.12.2015 RM'000 (Unaudited)	As at 31.12.2014 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	15,063,503	14,323,952
Intangible assets	4,206,253	4,704,227
Prepaid lease payments	65,988	70,331
Investment in associates	1,179,323	1,203,319
Investment in an equity accounted joint venture	55,440	57,885
Finance lease receivables	2,197,169	1,990,974
Derivative financial assets	509,010	99,147
Other receivables	102,615	114,793
Deferred tax assets	817,933	779,849
Total non-current assets	24,197,234	23,344,477
Current assets		
Trade and other receivables	1,882,638	1,304,283
Inventories	575,094	518,434
Current tax assets	235,039	272,469
Other investments	629,241	321,509
Cash and cash equivalents	2,853,346	3,574,900
Total current assets	6,175,358	5,991,595
Total assets	**30,372,592**	**29,336,072**
Equity		
Share capital	500,000	355,523
Share premium	5,192,215	3,575,837
Reserves	37,623	61,274
Retained profits/(Accumulated losses)	73,712	(28,985)
Equity attributable to owners of the Company	5,803,550	3,963,649
Non-controlling interests	215,004	212,967
Total equity	6,018,554	4,176,616
Non-current liabilities		
Loan and borrowings	16,624,567	17,493,217
Employee benefits	84,898	74,907
Decommissioning cost	68,058	-
Deferred income	2,968,256	2,811,196
Deferred tax liabilities	2,726,034	2,721,062
Derivative financial liabilities	152,497	167,338
Total non-current liabilities	22,624,310	23,267,720
Current liabilities		
Trade and other payables	824,322	975,514
Current tax liabilities	12,134	23,872
Loans and borrowings	723,041	734,262
Derivative financial liabilities	29,124	27,704
Deferred income	141,107	130,384
Total current liabilities	1,729,728	1,891,736
Total liabilities	24,354,038	25,159,456
Total equity and liabilities	**30,372,592**	**29,336,072**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.16	11.28

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Company dated 17 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

	Attributable to owners of the Company										
	Non distributable							Distributable			
	Share capital		Share premium		Reserves						
	Ordinary RM'000	Preference RM'000	Ordinary RM'000	Preference RM'000	Capital Redemption RM'000	Translation RM'000	Hedging RM'000	Retained Profits / (Accumulated Losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2015	351,344	4,179	3,162,096	413,741	840	(14,944)	75,378	(28,985)	3,963,649	212,967	4,176,616
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(537)	(537)	-	(537)
Foreign currency translation differences for foreign operations	-	-	-	-	-	32,049	-	-	32,049	-	32,049
Cash flow hedge	-	-	-	-	-	-	(31,085)	-	(31,085)	-	(31,085)
Share of loss on hedging reserves attributable to associates	-	-	-	-	-	-	(24,615)	-	(24,615)	-	(24,615)
Other comprehensive income for the year	-	-	-	-	-	32,049	(55,700)	(537)	(24,188)	-	(24,188)
Profit for the year	-	-	-	-	-	-	-	453,234	453,234	42,662	495,896
Comprehensive income/(expense) for the year	-	-	-	-	-	32,049	(55,700)	452,697	429,046	42,662	471,708
Issuance of shares pursuant to:											
- Preference shares issue	-	37,613	-	(37,613)	-	-	-	-	-	-	-
- Preference shares conversion	41,792	(41,792)	376,128	(376,128)	-	-	-	-	-	-	-
- Bonus issue	6,864	-	(6,864)	-	-	-	-	-	-	-	-
- Ordinary shares issue	100,000	-	1,700,000	-	-	-	-	-	1,800,000	-	1,800,000
- Share issue expenses	-	-	(39,145)	-	-	-	-	-	(39,145)	-	(39,145)
Dividends to owners of the Company	-	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(40,625)	(40,625)
Total transactions and distribution with owners	148,656	(4,179)	2,030,119	(413,741)	-	-	-	(350,000)	1,410,855	(40,625)	1,370,230
At 31 December 2015	500,000	-	5,192,215	-	840	17,105	19,678	73,712	5,803,550	215,004	6,018,554
At 1 January 2014	351,344	4,179	3,162,096	413,741	840	(20,110)	176,081	(172,447)	3,915,724	223,422	4,139,146
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	413	413	-	413
Foreign currency translation differences for foreign operations	-	-	-	-	-	5,166	-	-	5,166	-	5,166
Cash flow hedge	-	-	-	-	-	-	(78,095)	-	(78,095)	-	(78,095)
Share of loss on hedging reserves attributable to associates						-	(22,608)	-	(22,608)	-	(22,608)
Other comprehensive income/(expense) for the year	-	-	-	-	-	5,166	(100,703)	413	(95,124)	-	(95,124)
Profit for the year	-	-	-	-	-	-	-	341,549	341,549	71,295	412,844
Comprehensive income/(expense) for the year	-	-	-	-	-	5,166	(100,703)	341,962	246,425	71,295	317,720
Dividends to owners of the Company	-	-	-	-	-	-	-	(198,500)	(198,500)	-	(198,500)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(81,750)	(81,750)
Total distribution to owners	-	-	-	-	-	-	-	(198,500)	(198,500)	(81,750)	(280,250)
At 31 December 2014	351,344	4,179	3,162,096	413,741	840	(14,944)	75,378	(28,985)	3,963,649	212,967	4,176,616

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Company dated 17 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the year ended 31 December 2015

	12 months ended 31.12.2015 RM'000 (Unaudited)	12 months ended 31.12.2014 RM'000 (Audited)
Cash flows from operating activities		
Profit before tax	702,040	595,484
Adjustments for :		
Non-cash items	1,264,621	1,162,158
Finance costs	794,618	911,242
Finance income	(192,053)	(132,688)
Share of loss/(profit) of equity-accounted associates and a joint venture, net of tax	4,253	(41,667)
	2,573,479	2,494,529
Changes in:		
Net change in current assets	(768,312)	(22,704)
Net change in current liabilities	78,334	112,275
Net change in non current liabilities	234,140	268,611
Cash generated from operations	2,117,641	2,852,711
Income taxes paid	(218,361)	(150,761)
Net cash from operating activities	1,899,280	2,701,950
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,434,258)	(1,614,561)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(153,541)
Dividend received from associates	32,479	19,975
(Increase)/Decrease in other investments	(307,732)	844,445
Interest received	122,427	111,997
Increase in investment in associates	(45,852)	(36,755)
Proceeds from redemption on unquoted loan stocks	15,200	29,682
Proceeds from disposal of property, plant and equipment	187	215
Redemption of unsecured loan stocks	(21,747)	(57,625)
Net cash used in investing activities	(1,639,296)	(856,168)
Cash flows from financing activities		
Dividends paid to the owners of the Company	(350,000)	(198,500)
Dividends paid to non controlling interests	(40,625)	(81,750)
Interest paid	(766,728)	(965,724)
Issue of shares	1,800,000	-
Payment of listing expenses	(39,145)	-
Proceeds from borrowings	977,885	1,559,239
Repayment of borrowings	(2,584,394)	(959,930)
Redemption of preference shares	21,469	-
Net cash used in financing activities	(981,538)	(646,665)
Net (decrease)/increase in cash and cash equivalents	(721,554)	1,199,117
Cash and cash equivalents at beginning of the year	3,574,900	2,375,783
Cash and cash equivalents at end of the year	**2,853,346**	**3,574,900**
Cash and cash equivalents comprise :		
Deposits with licensed banks and other licensed corporations	2,526,595	3,112,052
Cash and bank balances	326,751	462,848
	2,853,346	**3,574,900**

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Company dated 17 April 2015 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 ("MFRSs") 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 Accountants' Report as disclosed in the Prospectus of the Company dated 17 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

The Accountants’ Report of the Group was prepared in accordance with MFRSs and International Financial Reporting Standards.

The significant accounting policies adopted in these interim financial statements are consistent with those adopted in the Accountants’ Report, except the Group adopted the following MFRSs, Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 July 2014 as follows:

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

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 2014 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 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 quarter ended 31 December 2015.

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 repayment of Malakoff Power Berhad's Sukuk Murabahah of RM440.0 million on 17 December 2015.

7. Dividend paid

Since the end of the previous financial year, the Company paid:

i. a final single-tier dividend of approximately 28.46 sen per ordinary share on 351,344,030 ordinary shares of RM1.00 each totalling RM100,000,000 in respect of the financial year ended 31 December 2014 on 5 March 2015.

ii. a first single-tier interim dividend of 3 sen per ordinary share on 5,000,000,000 ordinary shares of RM0.10 each totalling RM150,000,000 in respect of the financial year ended 31 December 2015 on 8 July 2015.

iii. a second single-tier interim dividend of 2 sen per ordinary share on 5,000,000,000 ordinary shares of RM0.10 each totalling RM100,000,000 in respect of the financial year ended 31 December 2015 on 28 December 2015.

8. Segment Reporting

The Group's segmental reporting for the financial year ended 31 December 2015 is as follows:

	Asset Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
Business segments				
Revenue from external customers	5,266.8	35.2	-	5,302.0
Inter-segment revenue	444.1	1,041.2	(1,485.3)	-
Total segment revenue	5,710.9	1,076.4	(1,485.3)	5,302.0
Results from operating activities	1,848.2	177.4	(716.7)	1,308.9
Finance income				192.0
Finance costs				(794.6)
Share of loss of equity-accounted associates and a joint venture, net of tax				(4.3)
Income tax expense				(206.1)
Profit for the year				495.9

The Group's segmental reporting for the corresponding year ended 31 December 2014 is as follows:

	Asset Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
Business segments				
Revenue from external customers	5,564.4	30.1	-	5,594.5
Inter-segment revenue	1,509.8	993.0	(2,502.8)	-
Total segment revenue	7,074.2	1,023.1	(2,502.8)	5,594.5
Results from operating activities	3,088.6	345.6	(2,162.9)	1,271.3
Finance income				132.7
Finance costs				(911.2)
Other non-operating income				60.9
Share of profit of equity-accounted associates and a joint venture, net of tax				41.7
Income tax expense				(182.6)
Profit for the year				412.8

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 December 2015 except for the amounts carried forward pertaining to certain Group's properties that had been revalued in the past.

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

There was no material event subsequent to the end of the current quarter ended 31 December 2015.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 31 December 2015.

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 2014 except for the following:

i) During the financial year ended 31 December 2015, Malakoff Australia Pty Ltd, a wholly owned subsidiary, and its group of companies ("MAPL Group") had an application to the Australian Taxation Office ("the ATO") for a private binding ruling to confirm the taxation implications in relation to the initial restructuring and asset transfer within the MAPL Group. Whilst the outcome of the ruling was positive, the ATO has stated their disagreement with an element within the ruling, being the deductibility of the Group's swap contracts with AGL. These contracts are currently included within the MAPL Group's finance lease receivable due to the application of IFRC 4 – When an Arrangement Contains a Lease.

Management is of the view that the swap contracts with AGL are deductible and the management intend to lodge an objection. Should the appeal be unsuccessful, management have estimated a deferred tax liability of AUD43.3 million (equivalent to RM136.1 million) as at 31 December 2015.

ii) Bank guarantees issued to third parties:

	31.12.15 RM'mil	**31.12.14** RM'mil
Company and subsidiaries	464.0	368.2

These guarantees mainly consist of guarantees for performance bonds, standby letters of credit and security deposits for projects.

13. Capital commitments

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

	31.12.15 RM'mil	**31.12.14** RM'mil
Property, plant and equipment:		
Authorised and contracted for	657.4	1,297.4
Authorised but not contracted for	645.2	457.5
	1,302.6	1,754.9

14. Related party transactions

	31.12.15 RM'mil	**31.12.14** RM'mil
Associated company :		
- Interest income on unsecured subordinated loan notes	69.6	20.7

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

Quarter 4, 2015 ("4Q15") vs Quarter 4, 2014 ("4Q14")

The Group's revenue for 4Q15 was RM1,376.0 million, which is lower than RM1,482.4 million recorded in 4Q14.

This was mainly due to lower capacity factors registered by our coal fired and gas fired power plants and the scheduled outages taken by certain power plants as part of their maintenance cycles.

The Group's profit before tax for 4Q15 was RM170.0 million, which is 16% lower than RM201.9 million recorded in 4Q14.

This was mainly due to higher maintenance cost and lower forex gain in the 4Q15 offset by lower finance cost following the redemption of the unrated Junior Sukuk Musharakah. In addition, there was a claim for payment from Tenaga Nasional Berhad for unutilised scheduled outages in 4Q14.

Year-to-date, 2015 ("YTD15") vs Year-to-date, 2014 ("YTD14")

The Group's revenue for YTD15 was RM5,302.0 million, which is lower than RM5,594.5 million recorded in YTD14.

This was mainly due to lower capacity factors registered by our coal fired and certain gas fired power plants, scheduled outages taken by certain power plants as part of their maintenance cycles and lower distillate firing.

The Group's profit before tax for YTD15 was RM702.0 million, which is 18% higher than RM595.5 million recorded in YTD14.

This was mainly due to higher contribution from Tanjung Bin Power, lower finance cost and higher interest income which was offset by higher share of losses from our associate, Kapar Energy Ventures and compressor rotor rectification works in Prai Power Plant.

16. Variation of results against immediate preceding quarter

Quarter 4, 2015 (“4Q15”) vs Quarter 3, 2015 (“3Q15”)

The Group recorded a 15% lower profit before tax of RM170.0 million in the 4Q15 compared with RM199.0 million recorded in the 3Q15. This was mainly due to higher forex gain recorded in 3Q15.

17. Current prospects

The Directors expect the performance of the Group for the financial year ending 31 December 2016 to be better than the previous year due to the following:

i. The coal fired and gas fired power plants are expected to continue to perform well.

ii. The Group’s finance costs will be lower with the redemption of the Unrated Junior Sukuk Musharakah from the Initial Public Offering proceeds.

iii. Tanjung Bin Energy power plant is expected to commence its commercial operation date in March 2016 and will further enhance the Group’s performance.

18. Profit before tax

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

	3 months ended 31.12.15 RM'mil	**3 months ended 31.12.14** RM'mil	**Cumulative 12 months ended 31.12.15** RM'mil	**Cumulative 12 months ended 31.12.14** RM'mil
Finance income	(51.3)	(48.4)	(192.1)	(132.7)
Finance cost	191.8	227.3	794.6	911.2
Depreciation	176.3	148.7	625.7	558.6
Amortisation of intangibles	133.6	133.0	534.2	511.7
Impairment of goodwill	7.4	-	7.4	-
Impairment loss on trade receivables	(0.7)	14.1	7.0	49.0
Net foreign exchange (gain)/loss	4.5	(17.9)	(21.2)	(13.8)

19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter in a public document.

20. Tax expense

	3 months ended 31.12.15 RM'mil	**3 months ended 31.12.14** RM'mil	**Cumulative 12 months ended 31.12.15** RM'mil	**Cumulative 12 months ended 31.12.14** RM'mil
Current tax expense	64.5	58.3	246.7	201.0
Deferred tax expense	(2.7)	10.8	(40.6)	(18.4)
Total tax expense	61.8	69.1	206.1	182.6

The Group's effective tax rate for the current quarter and financial year were higher than the statutory income tax rate due to certain expenses which were not deductible for tax purposes.

21. Status of corporate proposals announced

There was no corporate proposal announced and not completed as at 31 December 2015.

22. Borrowings

	31.12.15 RM'mil	31.12.14 RM'mil
Current		
- Secured	723.0	734.3
Non-current		
- Secured	15,268.4	14,508.9
- Unsecured	1,356.1	2,984.3
	16,624.5	17,493.2
	17,347.5	18,227.5

The currency exposure pertaining to borrowings for the Group are as follows:-

	31.12.15 RM'mil	31.12.14 RM'mil
Functional currency		
- RM	14,953.3	16,001.6
- AUD	2,042.6	1,930.1
- USD	351.6	295.8
	17,347.5	18,227.5

23. Realised and unrealised profit/(losses) disclosure

The retained profits as at 31 December 2015 is analysed as follows:-

	31.12.15 RM'mil	**31.12.14 RM'mil**
Total retained earnings of the Company and its subsidiaries		
- realised	7,807.4	7,446.4
- unrealised	(979.2)	(869.7)
	6,828.2	6,576.7
Total share of retained earnings of associates		
- realised	174.9	190.1
- unrealised	(41.1)	(54.6)
	133.8	135.5
Total share of retained earnings of equity accounted joint venture		
- unrealised	(8.7)	(6.2)
Total retained earnings before consolidation adjustments	6,953.3	6,706.0
Less : consolidation adjustments	(6,879.6)	(6,735.0)
Total retained profit	73.7	(29.0)

24. Changes in material litigation

There was no material litigation, including the status of material litigation in respect of the Group other than the following:

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

Our joint venture, AAS, had entered into a supply contract with Hydrochem (S) Pte Ltd ("HS") and a construction contract with Hyflux Engineering Algeria Eurl ("HEA"), for the construction of the Souk Tleta IWP. The parties also signed a bridging agreement to treat the supply contract and the construction contract as one single contract.

During the FYE 31 December 2009, it was discovered that there was a considerable gap of approximately USD26.9 million between the value of the delivered equipment and the value of the payment made by AAS to HS ("Invoice Gap"). Under Algerian Law, this could be interpreted as offences against the Order N°96-22 regarding the repression of foreign exchange regulation offences and the flow of capital to and from overseas. Under the supply contract, HS is responsible to ensure that the value of the equipment declared to the customs and delivered to site is equal to the value of the milestone payments. Furthermore, under the construction contract, HEA is responsible on all customs clearance matters.

AAS wrote to both HS and HEA requesting for clarifications as they are responsible to resolve tax and customs issues. The Invoice Gap however was not resolved by both HS and HEA and the Algerian Customs then initiated investigations and thereafter a charge was brought against AAS. It was alleged that AAS had failed to repatriate a sum of USD26.9 million.

On 4 September 2014, AAS was charged in the lower Court of Ghazouet in the district of Tlemcen, Algeria ("Court"), for an alleged breach of foreign exchange regulations concerning a sum of USD26.9 million. The Company holds an indirect effective interest of 35.7% in AAS via Tlemchen Desalination Investment Company SAS ("TDIC"), which in turn is a subsidiary of Malakoff International Limited.
The Court had on 24 December 2014 convicted AAS and had subsequently imposed a penalty of AD3,929,038,151.36 (approximately USD44.6 million at the exchange rate of USD1: AD88) ("Penalty"). Our liability arising from the Penalty, in proportion to our 35.7% effective interest in AAS via TDIC, which may impact the PAT of our Group, amounts to AD1,402,666,620.03 (approximately USD15.9 million).

Notwithstanding the decision of the Court, AAS had been advised by its solicitor, Maitre Ahcene Bouskia, 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 has on 29 December 2014 filed an appeal against the decision by the Court to the Algerian Court of Appeal. The appeal was fixed for hearing on 27 May 2015, but was postponed to 10 June 2015. However, on 10 June 2015, the Court of Appeal had adjourned the appeal pending outcome and report from an independent expert ("Expert") to be appointed by the Court of Appeal. The Expert had been appointed on 26 July 2015 and had submitted the report on 3 December 2015. The appeal came up for hearing on 17 February 2016 and is now fixed for decision on 2 March 2016.

Based on the legal opinion provided by AAS' solicitor, AAS has a good chance of success in its appeal and has defences against the charge, based on procedural as well as substantive grounds.

(ii) Request for arbitration proceedings by International Water Treatment LLC ("IWT") and Muscat City Desalination Company SAOC ("MCDC")

The arbitration arose pursuant to an engineering, procurement and construction ("EPC") contract dated 10 April 2013 in relation to the Al Ghubrah IWP ("Al Ghubrah EPC Contract"). Under the Al Ghubrah EPC Contract, MCDC is the owner of the works to be constructed and IWT is the contractor.

The arbitration commenced on 2 October 2014, when IWT filed a request for arbitration with the London Court of International Arbitration ("LCIA"), alleging the following claims:

(a) IWT has sought to challenge the delay liquidated damages clause under the Al Ghubrah EPC Contract ("LD Clause") on the bases that it is a "penalty", and is therefore unenforceable ("Delay LD"); and
(b) failing MCDC's ability to provide IWT with an extension of time, IWT is entitled to complete the works within a reasonable period of time.

However, IWT has failed to particularise the grounds on which its claims are based in the arbitration.

MCDC takes the view that the Delay LD is not a penalty and therefore is enforceable.

MCDC had filed a response to the request for arbitration on 30 October 2014, defending its position as to the enforceability of the LD Clause and had required IWT to further particularise its claims. A tribunal was appointed by the LCIA on 13 February 2015 and a procedural hearing took place on 14 May 2015. A revised procedural timetable for the arbitration has been agreed and the main evidential hearing has been rescheduled to 24 April 2016 – 27 April 2016.

(iii) Litigation action initiated by Tanjung Bin Power Sdn Bhd against IHI Corporation Japan, ISHI Power Sdn Bhd and IHI Power Systems (M) Sdn Bhd

Tanjung Bin Power Sdn Bhd ("TBPSB"), a subsidiary of the Malakoff Corporation Berhad, commenced proceeding before the Malaysia High Court on 2.12.15 against the following three (3) Defendants:

- IHI Corporation, Japan (IHI)
- ISHI Power Sdn Bhd (ISHI)
- IHI Power Systems (M) Sdn Bhd (IPSM)

The total amount claimed is RM782,023,405.70 (excluding interest and costs) under 8 different heads. TBPSB is seeking damages from IHI, ISHI, and IPSM for breaches of the duty of care, which they individually and/or collectively owed to TBPSB.

The claims against the separate Defendants are made under separate heads and the amounts claimed vary. The total amount claimed, though quantified as above, is estimated and therefore subject to change.

The claims includes relief sought from the court for TBPSB's loss and damage, including the costs of repairs and replacement, and economic losses such as in relation to available capacity payments and daily utilisation payments. TBPSB has also claimed for interest as well as costs.

The Defendants have entered Appearances and their respective defences are fixed to be due on 17 February 2016. They have also each filed an application to strike out the actions against them and the court have directed parties to file in their respective affidavits pertaining to the same. Parties are directed to attend court on 18 March 2016 to obtain further directions from court.

25. Dividend Payable

A decision on the declaration of the final dividend for the financial year ended 31 December 2015 will be made upon the finalisation of the audited financial statement for the year ended 31 December 2015.

In the corresponding period ended 31 December 2014, a final single-tier dividend of approximately 28.46 sen per ordinary share on 351,344,030 ordinary shares of RM1.00 each totalling RM100,000,000 was paid on 5 March 2015.

26. Earnings per ordinary share

Basic Earnings Per Ordinary Share

	3 months ended 31.12.15	**3 months ended 31.12.14**	**Cumulative 12 months ended 31.12.15**	**Cumulative 12 months ended 31.12.14**
Profit for the period attributable to owners of the Company (RM'mil)	107.0	112.7	453.2	341.5
Weighted average number of ordinary shares ('mil)	5,000.0	3,582.1	4,531.4	3,582.1
Basic earnings per ordinary share (sen)	2.14	3.15	10.00	9.53

Diluted Earnings Per Ordinary Share

	3 months ended 31.12.15	**3 months ended 31.12.14**	**Cumulative 12 months ended 31.12.15**	**Cumulative 12 months ended 31.12.14**
Profit for the period attributable to owners of the Company (RM'mil)	107.0	112.7	453.2	341.5
Weighted average number of ordinary shares ('mil)	5,000.0	4,000.0	4,635.6	4,000.0
Diluted earnings per ordinary share (sen)	2.14	2.82	9.78	8.54

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors on 19 February 2016.

By Order of the Board
Yeoh Soo Mei (MAICSA No.7032259)
Nisham@Abu Bakar bin Ahmad (MAICSA No.7043879)
Secretaries
Kuala Lumpur
19 February 2016