

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Year Ended 31 December 2021

	3 months ended 31.12.2021 RM'000 (Unaudited)	3 months ended 31.12.2020 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2021 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2020 RM'000 (Audited)
Revenue	1,943,717	1,513,271	6,463,084	6,276,308
Cost of sales	(1,484,787)	(1,220,812)	(5,060,716)	(5,133,800)
Gross profit	458,930	292,459	1,402,368	1,142,508
Other income	1,454	8,415	17,678	72,486
Administrative expenses	(57,831)	(69,231)	(217,594)	(232,437)
Net gain on reversal/(loss) on impairment of financial instruments	2,342	(669)	(16,081)	(19,996)
Other operating expenses	(241,290)	(34,654)	(337,385)	(108,566)
Results from operating activities	163,605	196,320	848,986	853,995
Finance income	18,388	26,915	106,654	163,522
Finance costs	(167,178)	(179,693)	(682,623)	(744,696)
Net finance costs	(148,790)	(152,778)	(575,969)	(581,174)
Share of profit of equity-accounted associates and joint ventures, net of tax	49,792	30,745	196,550	171,778
Profit before tax	64,607	74,287	469,567	444,599
Tax expense	(41,939)	(23,116)	(170,352)	(114,530)
Profit for the period/year	22,668	51,171	299,215	330,069
Other comprehensive income/(expense), net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	32	(8,078)	-	(12,471)
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	11,638	1,017	49,706	(71,206)
Share of gain/(loss) on hedging reserve of equity-accounted associates and joint ventures	28,998	27,175	81,445	(20,000)
Foreign currency translation differences for foreign operations	(2,637)	(23)	6,682	(5)
	37,999	28,169	137,833	(91,211)
Other comprehensive income/(expense) for the period/year	38,031	20,091	137,833	(103,682)
Total comprehensive income for the period/year	60,699	71,262	437,048	226,387

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	3 months ended 31.12.2021 RM'000 (Unaudited)	3 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2021 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Audited)
Profit attributable to:				
Owners of the Company	9,209	41,642	254,547	286,581
Non-controlling interests	13,459	9,529	44,668	43,488
Profit for the period/year	<u>22,668</u>	<u>51,171</u>	<u>299,215</u>	<u>330,069</u>
Total comprehensive income attributable to:				
Owners of the Company	47,240	61,733	392,380	182,899
Non-controlling interests	13,459	9,529	44,668	43,488
Total comprehensive income for the period/year	<u>60,699</u>	<u>71,262</u>	<u>437,048</u>	<u>226,387</u>
Earnings per ordinary share (sen)				
Basic/diluted	0.19	0.85	5.21	5.86

Condensed Consolidated Statements Of Financial Position
As At 31 December 2021

	As at 31.12.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Assets		
Property, plant and equipment	11,669,977	12,391,428
Investment properties	15,300	15,300
Concession assets	149,658	167,837
Intangible assets	2,835,597	3,144,168
Investments in associates	946,732	798,841
Investments in joint ventures	776,411	668,364
Other investments	2,484	23,999
Derivative financial assets	288,680	231,170
Trade and other receivables	264,540	480,666
Deferred tax assets	211,218	194,583
Total non-current assets	17,160,597	18,116,356
Trade and other receivables	811,073	884,184
Inventories	843,712	591,799
Current tax assets	76,220	90,627
Other investments	2,617,093	3,378,157
Cash and cash equivalents	1,568,819	1,062,600
Assets classified as held for sale	-	65,000
Total current assets	5,916,917	6,072,367
Total assets	23,077,514	24,188,723
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	199,802	61,969
Accumulated losses	(405,041)	(348,468)
Equity attributable to owners of the Company	5,389,169	5,307,909
Perpetual sukuk	800,000	800,000
Non-controlling interests	311,688	336,802
Total equity	6,500,857	6,444,711
Liabilities		
Loans and borrowings	8,586,925	9,717,431
Lease liabilities	16,362	6,746
Employee benefits	110,331	100,483
Provision for decommissioning cost	158,333	99,893
Provision for concession assets	317,745	267,715
Deferred income	3,059,013	3,357,888
Derivative financial liabilities	7,106	15,381
Deferred tax liabilities	1,071,225	1,200,943
Total non-current liabilities	13,327,040	14,766,480

Condensed Consolidated Statements Of Financial Position
As At 31 December 2021

	As at 31.12.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Trade and other payables	1,499,403	1,360,268
Current tax liabilities	58,576	16,894
Loans and borrowings	1,258,843	1,164,663
Lease liabilities	7,734	6,616
Provision for decommissioning cost	25,013	11,809
Provision for concession assets	9,617	26,691
Deferred income	390,431	390,591
Total current liabilities	<u>3,249,617</u>	<u>2,977,532</u>
Total liabilities	<u>16,576,657</u>	<u>17,744,012</u>
Total equity and liabilities	<u><u>23,077,514</u></u>	<u><u>24,188,723</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.10	1.09

**Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021**

/----- 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 2021	5,693,055	(98,647)	(12,657)	74,626	(348,468)	5,307,909	800,000	336,802	6,444,711
Foreign currency translation differences for foreign operations	-	-	6,682	-	-	6,682	-	-	6,682
Cash flow hedge	-	-	-	49,706	-	49,706	-	-	49,706
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	81,445	-	81,445	-	-	81,445
Other comprehensive income for the year	-	-	6,682	131,151	-	137,833	-	-	137,833
Profit for the year	-	-	-	-	254,547	254,547	-	44,668	299,215
Comprehensive income for the year	-	-	6,682	131,151	254,547	392,380	-	44,668	437,048
Profit distribution of perpetual sukuk	-	-	-	-	(47,200)	(47,200)	-	-	(47,200)
Disposal of subsidiaries	-	-	-	-	-	-	-	(703)	(703)
Changes in ownership interest in subsidiaries	-	-	-	-	(22)	(22)	-	(370)	(392)
Dividends to owners of the Company	-	-	-	-	(263,898)	(263,898)	-	-	(263,898)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(63,619)	(63,619)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(5,090)	(5,090)
Total distribution to owners	-	-	-	-	(263,898)	(263,898)	-	(68,709)	(332,607)
At 31 December 2021	5,693,055	(98,647)	(5,975)	205,777	(405,041)	5,389,169	800,000	311,688	6,500,857

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

/----- 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 2020	5,693,055	(98,647)	(12,652)	165,832	(237,857)	5,509,731	800,000	365,516	6,675,247
Remeasurement of defined benefit liabilities	-	-	-	-	(12,471)	(12,471)	-	-	(12,471)
Foreign currency translation									
differences for foreign operations	-	-	(5)	-	-	(5)	-	-	(5)
Cash flow hedge	-	-	-	(71,206)	-	(71,206)	-	-	(71,206)
Share of loss on hedging reserve of									
equity-accounted associates and joint ventures	-	-	-	(20,000)	-	(20,000)	-	-	(20,000)
Other comprehensive expense for the year	-	-	(5)	(91,206)	(12,471)	(103,682)	-	-	(103,682)
Profit for the year	-	-	-	-	286,581	286,581	-	43,488	330,069
Comprehensive (expense)/income for the year	-	-	(5)	(91,206)	274,110	182,899	-	43,488	226,387
Profit distribution of perpetual sukuk	-	-	-	-	(47,032)	(47,032)	-	-	(47,032)
Incorporation of a subsidiary	-	-	-	-	-	-	-	685	685
Dividends to owners of the Company	-	-	-	-	(337,689)	(337,689)	-	-	(337,689)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(66,510)	(66,510)
Redemption of preference shares									
to non-controlling interests	-	-	-	-	-	-	-	(6,377)	(6,377)
Total distribution to owners	-	-	-	-	(337,689)	(337,689)	-	(72,887)	(410,576)
At 31 December 2020	5,693,055	(98,647)	(12,657)	74,626	(348,468)	5,307,909	800,000	336,802	6,444,711

Condensed Consolidated Statements Of Cash Flows
For the Year Ended 31 December 2021

	12 months ended 31.12.2021 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Audited)
Cash flows from operating activities		
Profit before tax	469,567	444,599
Adjustments for :		
Non cash-items	1,551,533	1,315,018
Finance costs	682,623	744,696
Finance income	(106,654)	(163,522)
Share of profit of equity-accounted associates and joint ventures, net of tax	(196,550)	(171,778)
Operating profit before changes in working capital	<u>2,400,519</u>	<u>2,169,013</u>
<i>Changes in working capital:</i>		
Net change in current assets	(369,958)	716,743
Net change in current liabilities	232,954	(253,419)
Net change in non-current liabilities	(254,118)	(293,553)
Cash generated from operations	<u>2,009,397</u>	<u>2,338,784</u>
Tax paid, net	(262,505)	(284,497)
Net cash from operating activities	<u>1,746,892</u>	<u>2,054,287</u>
Cash flows from investing activities		
Change in other investments	761,064	(868,681)
Disposal of subsidiaries, net of cash and cash equivalents disposed	(6)	-
Dividends received from associates	6,292	10,761
Dividends received from joint ventures	38,510	35,889
Interest received	123,131	159,471
Other investment in redeemable cumulative convertible preference share	-	(2,484)
Purchase of property, plant and equipment	(165,573)	(402,783)
Purchase of concession assets	(1,549)	(6,447)
Proceeds from disposal of property, plant and equipment	78,420	550
Net cash from/(used in) investing activities	<u>840,289</u>	<u>(1,073,724)</u>
Cash flows from financing activities		
Acquisition of non-controlling interest	(392)	-
Distribution to perpetual sukuk holder	(47,200)	(47,032)
Dividends paid to owners of the Company	(263,898)	(337,689)
Dividends paid to non-controlling interests	(63,619)	(66,510)
Redemption of preference shares to non-controlling interests	(5,090)	(6,377)
Interest paid	(548,111)	(650,787)
Proceeds from issuance of shares to non-controlling interests	-	685
Proceeds from borrowings	2,970,000	-
Repayment of borrowings	(4,112,005)	(1,541,790)
Payment of lease liabilities	(10,647)	(13,852)
Net cash used in financing activities	<u>(2,080,962)</u>	<u>(2,663,352)</u>

Condensed Consolidated Statements Of Cash Flows
For the Year Ended 31 December 2021

	12 months ended 31.12.2021 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Audited)
Net increase/(decrease) in cash and cash equivalents	506,219	(1,682,789)
Cash and cash equivalents at beginning of the year	1,062,600	2,745,389
Cash and cash equivalents at end of the year	<u>1,568,819</u>	<u>1,062,600</u>
Cash and cash equivalents comprise :		
Cash and bank balances	679,958	404,565
Deposits with licensed banks and other licensed corporations	888,861	658,035
	<u>1,568,819</u>	<u>1,062,600</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 2020 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 2020 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 2020, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021 as follows:

- Amendments to MFRS 9, *Financial Instruments*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to MFRS 7, *Financial Instruments: Disclosures*
- Amendments to MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The Group has early adopted the Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021* which is effective for annual period beginning on or after 1 April 2021.

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 2020 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

During the current quarter under review, the Group engaged an independent valuer to perform reassessments on the decommissioning costs for the gas power plants to reflect the prevailing market and risk specific to the liability given that the Power Purchase Agreements are nearing expiry.

Pursuant to the above exercise and in accordance with MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*, the Group recognised an increase of RM51.0 million in the estimated costs of the decommissioning for the gas power plants. The change in estimates resulted in an additional depreciation charges and finance costs of RM8.1 million and RM0.9 million, respectively for the quarter ended 31 December 2021.

Save as disclosed above, 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 scheduled repayment of Malakoff Power Berhad (“MPB”) sukuk programme of RM500.0 million.

7. Dividends paid

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

- i. A final dividend of 2.30 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM112,401,110 in respect of the financial year ended 31 December 2020 on 18 June 2021.
- ii. An interim dividend of 3.10 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM151,496,600 in respect of the financial year ended 31 December 2021 on 20 October 2021.

8. Segment reporting

During the current financial year, with the addition of Alam Flora into the Group's strategic business units, the Managing Director/Chief Executive Officer has reviewed and recognised Waste Management and Environment services as one of the key focus areas in a manner consistent with current internal reporting provided to the Management for the allocation of resource and assessment of segment performance. Accordingly, the Group has restated the operating segment information for the corresponding financial year.

The Group's segmental reporting for the financial year ended 31 December 2021 is as follows:

	<u>Power generation</u>			Waste Management and Environmental Services	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000
Revenue from external customers	5,521,843	-	5,521,843	827,513	113,728	-	113,728	-	-	-	6,463,084	-	6,463,084
Inter-segment revenue	-	-	-	-	1,360,610	29,102	1,389,712	(1,360,610)	(29,102)	(1,389,712)	-	-	-
Total segment revenue	5,521,843	-	5,521,843	827,513	1,474,338	29,102	1,503,440	(1,360,610)	(29,102)	(1,389,712)	6,463,084	-	6,463,084
Profit after tax	209,771	186,173	395,944	227,609	134,141	82,439	216,580	(448,423)	(92,495)	(540,918)	123,098	176,117	299,215

The Group's segmental reporting for the corresponding financial year ended 31 December 2020 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
	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	5,323,480	-	5,323,480	827,261	125,073	494	125,567	-	-	-	6,275,814	494	6,276,308
Inter-segment revenue	-	-	-	-	1,550,879	60,247	1,611,126	(1,550,879)	(60,247)	(1,611,126)	-	-	-
Total segment revenue	5,323,480	-	5,323,480	827,261	1,675,952	60,741	1,736,693	(1,550,879)	(60,247)	(1,611,126)	6,275,814	494	6,276,308
Profit after tax	393,006	165,366	558,372	95,250	270,203	23,242	293,445	(536,100)	(80,898)	(616,998)	222,359	107,710	330,069

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 December 2021 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 current interim period

There was no material event subsequent to the end of the current quarter ended 31 December 2021.

11. Changes in composition of the Group

- a) On 1 December 2021, Tuah Utama Sdn. Bhd. (“TUSB”), a wholly-owned subsidiary of the Company completed the acquisitions of 400,000 and 20,000 ordinary shares, representing the remaining 40% equity interest each in Green Biogas Sdn. Bhd. (“GBSB”) and Southern Biogas Sdn. Bhd. (“SBSB”) for cash considerations of RM374,799 and RM16,870, respectively. With the completion of the acquisitions, GBSB and SBSB became wholly-owned subsidiaries of the Group.
- b) On 20 December 2021, TUSB, a wholly-owned subsidiary of the Company completed the disposals of its 65% equity interest each in Lubuk Paku Hidro Sdn. Bhd. (“LPHSB”) and Batu Bor Hidro Sdn. Bhd. (“BBHSB”) for a total cash consideration of RM2.0 million. With the completion of the disposals, LPHSB and BBHSB ceased to become subsidiaries of the Group.

12. Significant events during the period

During the current quarter, Port Dickson Power Berhad (“PDP”), a wholly-owned subsidiary of the Company, completed the disposal of four (4) units of used gas turbines and generators, related auxiliaries and spare parts (collectively referred to as “power plant assets”) for a cash consideration of USD19 million.

These power plant assets were previously classified as current assets held for sale in accordance with MFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*.

13. 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 2020 except for the following bank guarantees issued to third parties:

	31.12.2021	31.12.2020
	RM'mil	RM'mil
Company and subsidiaries	310.5	323.6

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

14. Capital commitments

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

	31.12.2021	31.12.2020
	RM'mil	RM'mil
Property, plant and equipment:		
Authorised and contracted for	81.3	72.4
Authorised but not contracted for	481.0	813.4
	<u>562.3</u>	<u>885.8</u>

15. Related party transactions

	31.12.2021	31.12.2020
	RM'mil	RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	16.1	15.1
	<u>16.1</u>	<u>15.1</u>

Additional information required by the Bursa Securities Listing Requirements**16. Review of performance****Quarter 4, 2021 vs Quarter 4, 2020**

For the quarter ended 31 December 2021, the Group recorded RM1,943.7 million in revenue, an increase of 28.4% from RM1,513.3 million reported in the corresponding quarter ended 31 December 2020, primarily due to higher energy payments recorded from Tanjung Bin Power Sdn. Bhd. (“TBP”) on the back of higher applicable coal price (“ACP”) and Segari Energy Ventures Sdn. Bhd. (“SEV”) given the higher despatch factor. However, these were partially offset by lower energy and capacity payments from Tanjung Bin Energy Sdn. Bhd. (“TBE”) as the plant was on outage due to Low-Pressure Turbine blade failure.

Conversely, the Group recorded lower profit before taxation of RM64.6 million, a decrease of 13.1% from RM74.3 million reported in the corresponding quarter ended 31 December 2020, primarily due to write-off of SEV’s deferred expense, lower contribution from TBE impacted by lower capacity payment and impairment of assets caused by plant outage as well as higher operation and maintenance costs. However, these were partially moderated by higher contribution from TBP on the back of higher ACP as well as higher contributions from Alam Flora Sdn. Bhd. (“AFSB”) and foreign investments in associates.

Year-to-date, 2021 vs Year-to-date, 2020

For the financial year ended 31 December 2021, the Group recorded RM6,463.1 million in revenue, an increase of 3.0% from RM6,276.3 million reported in the preceding year, primarily due to higher energy payment from TBP on the back of higher ACP, partially offset by lower energy payments recorded from gas power plants given the decrease in despatch factor.

The Group recorded higher profit before taxation of RM469.6 million, an increase of 5.6% from RM444.6 million reported in the preceding year, primarily attributed to higher contribution from TBP on the back of higher ACP as well as higher contributions from AFSB and foreign investments in associates. However, these were partially offset by write-off of SEV’s deferred expense, lower contribution from TBE impacted by lower capacity payment and impairment of assets caused by plant outage as well as absence of TBE’s settlement agreement with Alstom Power System and GE Power Services (Malaysia) Sdn. Bhd. (collectively referred as “GE”) for the losses and damages incurred in relation to failure events which occurred between April 2017 and June 2019.

17. Variation of results against immediate preceding quarter**Quarter 4, 2021 vs Quarter 3, 2021**

The Group recorded lower profit before taxation of RM64.6 million in current quarter compared with RM118.6 million in the immediate preceding quarter, primarily attributed to write-off of SEV’s deferred expense and lower contribution from TBE impacted by lower capacity payment and impairment of assets caused by plant outage. However, these were moderated by higher contribution from TBP given the higher ACP and higher contribution from Alam Flora.

18. Current prospects

Bank Negara Malaysia (“BNM”) had recently reiterated that the Malaysian economy will expand between 5.5 percent and 6.5 percent this year, supported by continued expansion in global demand and higher private expenditure. Malaysia’s high vaccination rate and robust external engine will enable the economy to reopen and gradually recover.

The Malaysia Renewable Energy Roadmap (“MyRER”) released in December 2021 has formulated strategies to achieve the Government’s committed target of 31% Renewable Energy (“RE”) share in the national installed capacity mix and to further decarbonize the power generation sector until 2035 by maintaining affordability and system stability. MyRER outlines a strategic framework through the implementation of four technology-based pillars, namely solar, bioenergy, hydro and new sources supported by key initiatives such as leveraging electricity market reform for RE opportunities, improving access to financing, shaping human capital and infrastructure, and increasing system flexibility.

The Group continues to leverage on the Government’s transition to a low-energy carbon system and expands its RE portfolio with a long-term target of 1,400 MW by 2031. In October 2021, the Group signed a Solar Power Purchase Agreement (“SPPA”) with UMW Kayaba for a Rooftop Solar Project with a capacity of 1.25 MWp. Malakoff also received a Letter of Award from Keretapi Tanah Melayu Berhad (KTMB) / Railway Asset Corporation (RAC) on 15 December 2021 for rooftop solar projects. To date, the Group has secured rooftop solar projects with a total capacity of 24.8 MWp.

On the Environmental Solutions front, Alam Flora continues to make progress on the development of its Construction and Development Waste Facility (120 tonnes per day) in the state of Pahang which is expected to commence operations in second quarter 2022.

Based on the foregoing, the Group expects overall performance to remain satisfactory for the financial year ending 31 December 2022.

19. Profit before tax

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

	3 months ended 31.12.2021	3 months ended 31.12.2020	Cumulative 12 months ended 31.12.2021	Cumulative 12 months ended 31.12.2020
	RM'mil	RM'mil	RM'mil	RM'mil
Finance income	(18.4)	(26.9)	(106.7)	(163.5)
Finance costs	167.2	179.7	682.6	744.7
Depreciation	243.0	225.5	923.4	888.6
Amortisation of intangibles assets	80.6	80.3	320.2	321.2
Net (gain on reversal)/ loss on impairment of financial instruments	(2.3)	0.7	16.1	20.0
Write-off of other receivables	206.4	-	206.4	-
Property, plant and equipment written off	2.6	(0.2)	2.6	6.8
Net foreign exchange loss	0.1	2.7	0.1	4.3

20. Profit forecast or profit guarantee

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

21. Tax expense

	3 months ended 31.12.2021	3 months ended 31.12.2020	Cumulative 12 months ended 31.12.2021	Cumulative 12 months ended 31.12.2020
	RM'mil	RM'mil	RM'mil	RM'mil
Current tax expense	121.4	62.9	316.9	238.8
Deferred tax expense	(79.5)	(39.8)	(146.5)	(124.3)
Total tax expense	<u>41.9</u>	<u>23.1</u>	<u>170.4</u>	<u>114.5</u>

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

22. Borrowings

	31.12.2021	31.12.2020
	RM'mil	RM'mil
Current		
- Secured	<u>1,258.9</u>	<u>1,164.7</u>
Non-current		
- Secured	8,556.9	9,687.4
- Unsecured	<u>30.0</u>	<u>30.0</u>
	<u>8,586.9</u>	<u>9,717.4</u>
	<u>9,845.8</u>	<u>10,882.1</u>

The breakdown of Group borrowings by currency is as follows:

	31.12.2021	31.12.2020
	RM'mil	RM'mil
Functional currency		
- RM	9,575.1	10,592.9
- USD	<u>270.7</u>	<u>289.2</u>
	<u>9,845.8</u>	<u>10,882.1</u>

23. Changes in material litigation

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

There were no material changes 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") (collectively "Respondents") in relation to Souk Tleta Seawater Desalination Plant in Tlemcen, Algeria*

In response to AEC's Statement of Claim dated 2 August 2021, MCB and TDIC had on 17 December 2021 filed their Statement of Defence, together with technical, quantum / financial and legal expert reports, refuting AEC's claims.

On 13 January 2022, Hyflux submitted a request for suspension of the arbitration in view of its liquidation process in Singapore. Upon consideration of the request and the responses from AEC as well as MCB and TDIC, the Arbitral Tribunal on 8 February 2022 decided to reject Hyflux's request and order the arbitration to continue.

- 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

Following discussions among the parties to both Claim 1 and Claim 2, PPSB has on 3 January 2022 written to the Arbitral Tribunal to seek its approval of parties’ proposed revisions to the procedural timetable in the arbitration. Parties are awaiting the Arbitral Tribunal’s approval of the revisions to the procedural timetable.

- iv) *Asian International Arbitration Centre (“AIAC”) Arbitration No. ADM-831-2020 between Tanjung Bin Energy Sdn Bhd (“TBE” or “Claimant”) and Consortium HSL-TGE-GASB, comprising (1) HSL Constructor Pte Ltd, (2) HSL Constructor Sdn Bhd, (3) Tecgates Engineering (M) Sdn Bhd and (4) Gema Antara Sdn Bhd (collectively “Contractors” or “Respondents”) in relation to the Coal Unloading Jetty and Associated Bulk Material Handling System at Tanjung Bin Energy Power Plant (“Arbitration”)*

TBE has on 26 January 2022 entered into an agreement with the Contractors for the full and final resolution of the disputes and differences which are the subject of the Arbitration. Consequently, TBE and the Contractors shall request the arbitral tribunal to issue an order for the termination of the Arbitration and take any other steps necessary for the Arbitration to be terminated.

24. Dividend Payable

Announcement on the final dividend for the financial year ended 31 December 2021 will be made upon the conclusion of the Audited Financial Statements in March 2022.

25. Earnings per ordinary share

	3 months ended 31.12.2021	3 months ended 31.12.2020	Cumulative 12 months ended 31.12.2021	Cumulative 12 months ended 31.12.2020
Basic/Diluted Earnings per Ordinary Share				
Profit for the period/year attributable to owners of the Company (RM mil)	9.2	41.6	254.5	286.6
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)	0.19	0.85	5.21	5.86

26. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 February 2022.

By Order of the Board
Noor Raniz bin Mat Nor (MAICSA No.7061903)
Cheryl Rinai Kalip (LS 0008258)
Secretaries
Kuala Lumpur
23 February 2022