

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 30 September 2021

	3 months ended 30.09.2021 RM'000 (Unaudited)	3 months ended 30.09.2020 RM'000 (Unaudited)	Cumulative 9 months ended 30.09.2021 RM'000 (Unaudited)	Cumulative 9 months ended 30.09.2020 RM'000 (Unaudited)
Revenue	1,583,751	1,482,895	4,519,367	4,763,037
Cost of sales	(1,287,782)	(1,239,038)	(3,575,929)	(3,912,988)
Gross profit	295,969	243,857	943,438	850,049
Other income	5,425	7,562	16,224	64,071
Administrative expenses	(49,280)	(54,071)	(159,763)	(163,206)
Impairment loss on financial instruments	(6,210)	(6,137)	(18,423)	(19,327)
Other operating expenses	(40,747)	(28,655)	(96,095)	(73,912)
Results from operating activities	205,157	162,556	685,381	657,675
Finance income	28,208	40,975	88,266	136,607
Finance costs	(172,276)	(185,622)	(515,445)	(565,003)
Net finance costs	(144,068)	(144,647)	(427,179)	(428,396)
Share of profit of equity-accounted associates and joint ventures, net of tax	57,495	49,676	146,758	141,033
Profit before tax	118,584	67,585	404,960	370,312
Tax expense	(45,846)	(6,997)	(128,413)	(91,414)
Profit for the period	72,738	60,588	276,547	278,898
Other comprehensive income/(expense), net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	-	-	(32)	(4,393)
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	17,259	(2,568)	38,068	(72,223)
Share of gain/(loss) on hedging reserve of equity-accounted associates and joint ventures	8,826	(17,431)	52,447	(47,175)
Foreign currency translation differences for foreign operations	1,254	(6,445)	9,319	18
	27,339	(26,444)	99,834	(119,380)
Other comprehensive income/(expense) for the period	27,339	(26,444)	99,802	(123,773)
Total comprehensive income for the period	100,077	34,144	376,349	155,125

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	3 months ended 30.09.2021 RM'000 (Unaudited)	3 months ended 30.09.2020 RM'000 (Unaudited)	9 months ended 30.09.2021 RM'000 (Unaudited)	9 months ended 30.09.2020 RM'000 (Unaudited)
Profit attributable to:				
Owners of the Company	67,160	50,802	245,338	244,939
Non-controlling interests	5,578	9,786	31,209	33,959
Profit for the period	<u>72,738</u>	<u>60,588</u>	<u>276,547</u>	<u>278,898</u>
Total comprehensive income attributable to:				
Owners of the Company	94,499	24,358	345,140	121,166
Non-controlling interests	5,578	9,786	31,209	33,959
Total comprehensive income for the period	<u>100,077</u>	<u>34,144</u>	<u>376,349</u>	<u>155,125</u>
Earnings per ordinary share (sen)				
Basic/diluted	1.37	1.04	5.02	5.01

Condensed Consolidated Statements Of Financial Position
As At 30 September 2021

	As at 30.09.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Assets		
Property, plant and equipment	11,843,507	12,391,428
Investment properties	15,300	15,300
Concession assets	156,060	167,837
Intangible assets	2,913,359	3,144,168
Investments in associates	905,983	798,841
Investments in joint ventures	760,007	668,364
Other investments	2,484	23,999
Derivative financial assets	290,354	231,170
Trade and other receivables	445,541	480,666
Deferred tax assets	191,699	194,583
Total non-current assets	17,524,294	18,116,356
Trade and other receivables	1,284,259	884,184
Inventories	741,384	591,799
Current tax assets	87,394	90,627
Other investments	3,034,535	3,378,157
Cash and cash equivalents	754,128	1,062,600
Assets classified as held for sale	65,000	65,000
Total current assets	5,966,700	6,072,367
Total assets	23,490,994	24,188,723
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	161,803	61,969
Accumulated losses	(262,763)	(348,468)
Equity attributable to owners of the Company	5,493,448	5,307,909
Perpetual sukuk	800,000	800,000
Non-controlling interests	310,210	336,802
Total equity	6,603,658	6,444,711
Liabilities		
Loans and borrowings	8,912,830	9,717,431
Lease liabilities	7,614	6,746
Employee benefits	109,128	100,483
Provision for decommissioning cost	104,798	99,893
Provision for concession assets	293,595	267,715
Deferred income	3,135,071	3,357,888
Derivative financial liabilities	10,897	15,381
Deferred tax liabilities	1,131,146	1,200,943
Total non-current liabilities	13,705,079	14,766,480

Condensed Consolidated Statements Of Financial Position
As At 30 September 2021

	As at 30.09.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Trade and other payables	1,287,827	1,360,268
Current tax liabilities	33,476	16,894
Loans and borrowings	1,421,006	1,164,663
Lease liabilities	2,770	6,616
Provision for decommissioning cost	20,056	11,809
Provision for concession assets	26,691	26,691
Deferred income	390,431	390,591
Total current liabilities	<u>3,182,257</u>	<u>2,977,532</u>
Total liabilities	<u>16,887,336</u>	<u>17,744,012</u>
Total equity and liabilities	<u><u>23,490,994</u></u>	<u><u>24,188,723</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.12	1.09

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 September 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
Remeasurement of defined benefit liabilities	-	-	-	-	(32)	(32)	-	-	(32)
Foreign currency translation differences for foreign operations	-	-	9,319	-	-	9,319	-	-	9,319
Cash flow hedge	-	-	-	38,068	-	38,068	-	-	38,068
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	52,447	-	52,447	-	-	52,447
Other comprehensive income/(expense) for the period	-	-	9,319	90,515	(32)	99,802	-	-	99,802
Profit for the period	-	-	-	-	245,338	245,338	-	31,209	276,547
Comprehensive income for the period	-	-	9,319	90,515	245,306	345,140	-	31,209	376,349
Profit distribution of perpetual sukuk	-	-	-	-	(47,200)	(47,200)	-	-	(47,200)
Dividends to owners of the Company	-	-	-	-	(112,401)	(112,401)	-	-	(112,401)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(52,711)	(52,711)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(5,090)	(5,090)
Total distribution to owners	-	-	-	-	(112,401)	(112,401)	-	(57,801)	(170,202)
At 30 September 2021	5,693,055	(98,647)	(3,338)	165,141	(262,763)	5,493,448	800,000	310,210	6,603,658

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 September 2021**

	/----- Attributable to owners of the Company -----/ /----- Non-distributable -----/					Distributable	Perpetual Sukuk	Non-controlling Interests	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses 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	-	-	-	-	(4,393)	(4,393)	-	-	(4,393)
Foreign currency translation differences for foreign operations	-	-	18	-	-	18	-	-	18
Cash flow hedge	-	-	-	(72,223)	-	(72,223)	-	-	(72,223)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(47,175)	-	(47,175)	-	-	(47,175)
Other comprehensive income/(expense) for the period	-	-	18	(119,398)	(4,393)	(123,773)	-	-	(123,773)
Profit for the period	-	-	-	-	244,939	244,939	-	33,959	278,898
Comprehensive income/(expense) for the period	-	-	18	(119,398)	240,546	121,166	-	33,959	155,125
Profit distribution of perpetual sukuk	-	-	-	-	(47,032)	(47,032)	-	-	(47,032)
Incorporation of a subsidiary	-	-	-	-	-	-	-	20	20
Dividends to owners of the Company	-	-	-	-	(200,854)	(200,854)	-	-	(200,854)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(35,724)	(35,724)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(5,571)	(5,571)
Total distribution to owners	-	-	-	-	(200,854)	(200,854)	-	(41,295)	(242,149)
At 30 September 2020	5,693,055	(98,647)	(12,634)	46,434	(245,197)	5,383,011	800,000	358,200	6,541,211

**Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 September 2021**

	9 months ended 30.09.2021 RM'000 (Unaudited)	9 months ended 30.09.2020 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	404,960	370,312
Adjustments for :		
Non cash-items	960,946	983,243
Finance costs	515,445	565,003
Finance income	(88,266)	(136,607)
Share of profit of equity-accounted associates and joint ventures, net of tax	(146,758)	(141,033)
Operating profit before changes in working capital	<u>1,646,327</u>	<u>1,640,918</u>
<i>Changes in working capital:</i>		
Net change in current assets	(649,324)	479,356
Net change in current liabilities	53,632	(307,872)
Net change in non-current liabilities	(195,788)	(219,219)
Cash generated from operations	<u>854,847</u>	<u>1,593,183</u>
Tax paid, net	(179,289)	(212,957)
Net cash from operating activities	<u>675,558</u>	<u>1,380,226</u>
Cash flows from investing activities		
Change in other investments	343,622	(1,392,556)
Dividends received from associates	-	9,746
Dividends received from joint ventures	28,005	30,974
Interest received	100,283	127,689
Other investment in redeemable cumulative convertible preference share	-	(2,484)
Purchase of property, plant and equipment	(130,079)	(220,482)
Purchase of concession assets	(1,455)	(6,447)
Proceeds from disposal of property, plant and equipment	135	-
Net cash from/(used in) investing activities	<u>340,511</u>	<u>(1,453,560)</u>
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(47,200)	(47,032)
Dividends paid to owners of the Company	(112,401)	(200,854)
Dividends paid to non-controlling interests	(52,711)	(35,724)
Redemption of preference shares to non-controlling interests	(5,090)	(5,571)
Interest paid	(456,790)	(553,481)
Proceeds from issuance of shares to non-controlling interests	-	20
Proceeds from borrowings	2,970,000	-
Repayment of borrowings	(3,612,006)	(1,138,153)
Payment of lease liabilities	(8,343)	(10,098)
Net cash used in financing activities	<u>(1,324,541)</u>	<u>(1,990,893)</u>

**Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 September 2021**

	9 months ended 30.09.2021 RM'000 (Unaudited)	9 months ended 30.09.2020 RM'000 (Unaudited)
Net decrease in cash and cash equivalents	(308,472)	(2,064,227)
Cash and cash equivalents at beginning of the period	1,062,600	2,745,389
Cash and cash equivalents at end of the period	754,128	681,162
Cash and cash equivalents comprise :		
Cash and bank balances	145,049	169,449
Deposits with licensed banks and other licensed corporations	609,079	511,713
	754,128	681,162

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

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 except for the scheduled repayment of Tanjung Bin Power Sdn. Bhd. ("TBP"), Tanjung Bin Energy Sdn. Bhd. ("TBE") and Tanjung Bin O&M Berhad sukuk programme of RM320.0 million, RM35.0 million and RM55.0 million, respectively.

7. Dividends paid

On 20 October 2021, the Company paid an interim dividend of 3.10 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM151,495,800 in respect of the financial year ending 31 December 2021.

8. Segment reporting

During the current period, 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 period.

The Group's segmental reporting for the financial period ended 30 September 2021 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>		
	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	RM'000	
Revenue from external customers	3,826,519	-	3,826,519	613,813	79,035	-	79,035	-	-	-	4,519,367	-	4,519,367		
Inter-segment revenue	-	-	-	-	1,052,279	12,305	1,064,584	(1,052,279)	(12,305)	(1,064,584)	-	-	-		
Total segment revenue	3,826,519	-	3,826,519	613,813	1,131,314	12,305	1,143,619	(1,052,279)	(12,305)	(1,064,584)	4,519,367	-	4,519,367		
Profit after tax	291,574	140,841	432,415	99,507	448,364	64,438	512,802	(695,277)	(72,900)	(768,177)	144,168	132,379	276,547		

The Group's segmental reporting for the corresponding financial period ended 30 September 2020 is as follows:

	<u>Power generation</u>			Waste Management and Environmental	<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	4,055,782	-	4,055,782	611,522	95,239	494	95,733	-	-	-	4,762,543	494	4,763,037
Inter-segment revenue	-	-	-	-	1,041,961	41,097	1,083,058	(1,041,961)	(41,097)	(1,083,058)	-	-	-
Total segment revenue	4,055,782	-	4,055,782	611,522	1,137,200	41,591	1,178,791	(1,041,961)	(41,097)	(1,083,058)	4,762,543	494	4,763,037
Profit after tax	348,465	136,134	484,599	64,535	303,674	22,288	325,962	(538,907)	(57,291)	(596,198)	177,767	101,131	278,898

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 30 September 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

On 12 November 2021, Malakoff Technical Solutions Sdn. Bhd. (“MTSSB”), a wholly-owned subsidiary of the Company together with Gas Malaysia Berhad, via its wholly-owned subsidiary, Gas Malaysia Ventures 1 Sdn. Bhd. (“GMV”) formed a joint venture company, Malakoff Gas Malaysia Cogen O&M Sdn. Bhd., in which MTSSB and GMV hold 51% and 49% equity interests, respectively. The joint venture is a strategic alliance between the two companies to undertake Operations and Maintenance (“O&M”) services for cogeneration plants in Malaysia.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 September 2021.

12. Assets classified as held for sale

On 11 December 2019, Port Dickson Power Berhad (“PDP”), a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement (“SPA”) with Pacific Energy Company Limited, Nigeria to dispose 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.

Based on the current development, the disposal of the power plant assets is currently expected to be completed by fourth quarter of 2021. Accordingly, these power plant assets are reclassified as current assets 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:

	30.9.2021	31.12.2020
	RM'mil	RM'mil
Company and subsidiaries	<u>319.6</u>	<u>323.6</u>

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:

	30.9.2021	31.12.2020
	RM'mil	RM'mil
Property, plant and equipment:		
Authorised and contracted for	15.3	72.4
Authorised but not contracted for	530.7	813.4
	<u>546.0</u>	<u>885.8</u>

15. Related party transactions

	30.9.2021	30.9.2020
	RM'mil	RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	18.4	18.5
	<u>18.4</u>	<u>18.5</u>

Additional information required by the Bursa Securities Listing Requirements**16. Review of performance****Quarter 3, 2021 vs Quarter 3, 2020**

For the quarter ended 30 September 2021, the Group recorded RM1,583.8 million in revenue, an increase of 6.8% from RM1,482.9 million reported in the corresponding quarter ended 30 September 2020, 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 higher applicable coal price (“ACP”). However, these were partially offset by lower energy payments recorded from gas plants namely Segari Energy Ventures Sdn. Bhd. (“SEV”), GB3 Sdn. Bhd. (“GB3”) and Prai Power Sdn. Bhd. (“PPSB”) given the decrease in despatch factor.

The Group recorded significantly higher profit before taxation of RM118.6 million, an increase of 75.4% from RM67.6 million reported in the corresponding quarter ended 30 September 2020, primarily attributed to higher contributions from TBP and TBE coal plants on the back of higher ACP, higher contributions from Alam Flora Sdn. Bhd. (“AFSB”) and foreign investments in associates coupled with lower operation and maintenance costs.

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

For the financial period ended 30 September 2021, the Group recorded RM4,519.4 million in revenue, a decrease of 5.1% from RM4,763.0 million reported in the preceding period, primarily due to lower energy payments recorded given the decrease in despatch factor largely from SEV and TBP plants.

Conversely, the Group recorded higher profit before taxation of RM405.0 million, an increase of 9.4% from RM370.3 million reported in the preceding period, primarily attributed to higher contributions from TBP and TBE coal plants on the back of higher ACP, higher contributions from AFSB and foreign investments in associates. However, these were offset by the 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, lower contribution from SEV given the decrease in despatch factor and higher depreciation charges.

17. Variation of results against immediate preceding quarter**Quarter 3, 2021 vs Quarter 2, 2021**

The Group recorded lower profit before taxation of RM118.6 million in current quarter compared with RM189.7 million in the immediate preceding quarter, primarily attributed to lower contribution from TBP coal plant given the decrease in despatch factor, lower contribution from foreign investments in associates largely from Al-Hidd IWPP due to higher operation and maintenance costs coupled with provision for slow-moving stock made for certain gas plants as plants near the end of Purchase Power Agreement (PPA).

18. Current prospects

The Malaysia economy is expected to resume its recovery path as more economic sectors reopen given that the nation has exceeded 95% adult vaccination rate. Moving forward, continued expansion in global demand and the broader reopening of the domestic economy will support the nation's growth momentum going into 2022 with GDP growth expected between 5.5% and 6.5% (*source: BNM Q3 2021 Economic and Financial Developments Report*).

Under the Twelfth Malaysia Plan ("12MP"), Renewable Energy ("RE") and Energy Efficiency ("EE") initiatives will be scaled up to transit to a low-carbon nation. The recently announced 2022 Budget also reaffirms the Government's commitment to strengthen the planned sustainability agenda. These developments augur well for the Group's RE and Environmental services focus areas under its overall strategic growth plan.

In mid-July 2021, the Group acquired a land in Port Klang as part of the proposed development of a recovery facility for waste management and expansion of its environmental business activities. The Group also signed a Memorandum-of-Understanding ("MOU") with Koperasi Polis Diraja Malaysia Berhad ("KPDRM") to jointly undertake a feasibility study on the development of rooftop solar projects.

Based on the foregoing, the Group expects overall performance to remain satisfactory for the financial year ending 31 December 2021.

19. Profit before tax

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

	3 months ended 30.9.2021	3 months ended 30.9.2020	Cumulative 9 months ended 30.9.2021	Cumulative 9 months ended 30.9.2020
	RM'mil	RM'mil	RM'mil	RM'mil
Finance income	(28.2)	(41.0)	(88.3)	(136.6)
Finance costs	172.3	185.6	515.4	565.0
Depreciation	227.8	223.2	680.3	663.1
Amortisation of intangibles assets	80.7	80.3	239.7	240.9
Impairment loss on financial instruments	6.2	6.1	18.4	19.3
Property, plant and equipment written off	-	0.6	-	7.0
Net foreign exchange (gain)/loss	(0.2)	0.1	(0.1)	1.6

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 30.9.2021	3 months ended 30.9.2020	Cumulative 9 months ended 30.9.2021	Cumulative 9 months ended 30.9.2020
	RM'mil	RM'mil	RM'mil	RM'mil
Current tax expense	70.6	47.6	195.5	175.9
Deferred tax expense	(24.8)	(40.6)	(67.1)	(84.5)
Total tax expense	<u>45.8</u>	<u>7.0</u>	<u>128.4</u>	<u>91.4</u>

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

22. Borrowings

	30.9.2021	31.12.2020
	RM'mil	RM'mil
Current		
- Secured	<u>1,421.0</u>	<u>1,164.7</u>
Non-current		
- Secured	8,882.8	9,687.4
- Unsecured	<u>30.0</u>	<u>30.0</u>
	<u>8,912.8</u>	<u>9,717.4</u>
	<u>10,333.8</u>	<u>10,882.1</u>

The breakdown of Group borrowings by currency is as follows:

	30.9.2021	31.12.2020
	RM'mil	RM'mil
Functional currency		
- RM	10,061.6	10,592.9
- USD	<u>272.2</u>	<u>289.2</u>
	<u>10,333.8</u>	<u>10,882.1</u>

23. Changes in material litigation

- i) *Proceedings by the Public Prosecutor of Algeria against Almiyah Attilemcania 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*

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

- a) a declaration that MCB and Hyflux had breached, and are jointly and severally liable under, the Joint Venture Agreement;
- b) an order that MCB and Hyflux jointly and severally pay AEC damages of USD288.4 million as compensation for the damage suffered by AEC;
- c) a declaration that TDIC had breached Article 6.1 of the Framework Agreement by refusing to transfer its shares in Almiyah Attilemcania SpA (“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.

The Respondents are required to file their respective Statements of Defence (and Counterclaims), expert reports, factual exhibits and legal exhibits by 17 December 2021.

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

On 27 September 2021, the Arbitral Tribunal had issued the Procedural Protocol No. 3, stipulating the dates for the remainder filings of the arbitration as follows:

- a) filing of Witness Statements by 10 January 2022;
- b) filing of Reply Witness Statements by 21 February 2022;
- c) filing of Rebuttal Witness Statements by 14 March 2022;
- d) filing of Experts Report by 25 April 2022;
- e) filing of Rebuttal Expert Reports by 23 May 2022; and
- f) filing of Joint Expert Report(s) by 4 July 2022.

In the interim, the Arbitral Tribunal has scheduled 8 August 2022 to 14 August 2022 as the hearing dates, with 29 August 2022 to 2 September 2022 as the reserved hearing dates.

- 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*

On 17 August 2021, TBE filed its Statement of Case, setting out its claims against the Contractors under the Engineering, Procurement, Construction and Commissioning Contract dated 9 June 2017.

On 28 September 2021, the Contractors filed their respective Statements of Defence and Counterclaim. On 26 October 2021, TBE filed the Claimant’s Statement of Reply and Defence to Counterclaim.

The Contractors are required to file their Reply to Defence to Counterclaim by 16 November 2021.

In the interim, the Arbitral Tribunal has scheduled 12 to 15 September 2022 and 19 to 23 September 2022 as the hearing dates, with 7 to 11 November 2022 as reserved hearing dates.

24. Dividend Payable

No dividend has been recommended by the Directors in the quarter ended 30 September 2021 (30 September 2020: Nil).

25. Earnings per ordinary share

	3 months ended 30.9.2021	3 months ended 30.9.2020	Cumulative 9 months ended 30.9.2021	Cumulative 9 months ended 30.9.2020
Basic/Diluted Earnings per Ordinary Share				
Profit for the period attributable to owners of the Company (RM mil)	67.2	50.8	245.3	244.9
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)	1.37	1.04	5.02	5.01

26. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 November 2021.

By Order of the Board
Noor Raniz bin Mat Nor (MAICSA No.7061903)
Cheryl Rinai Kalip (LS 0008258)
Secretaries
Kuala Lumpur
26 November 2021