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

	3 months ended 31.03.2015 RM'000 (Unaudited)	3 months ended 31.03.2014 RM'000 (Unaudited)	Cumulative 3 months ended 31.03.2015 RM'000 (Unaudited)	Cumulative 3 months ended 31.03.2014 RM'000 (Unaudited)
Revenue	1,346,620	1,238,105	1,346,620	1,238,105
Cost of sales	(897,785)	(869,728)	(897,785)	(869,728)
Gross profit	448,835	368,377	448,835	368,377
Other income	8,406	3,639	8,406	3,639
Administrative expenses	(81,400)	(62,435)	(81,400)	(62,435)
Other operating expenses	(41,371)	(83,440)	(41,371)	(83,440)
Results from operating activities	334,470	226,141	334,470	226,141
Finance income	45,311	39,263	45,311	39,263
Finance costs	(214,390)	(229,008)	(214,390)	(229,008)
Net finance costs	(169,079)	(189,745)	(169,079)	(189,745)
Share of profit of equity-accounted associates and a joint venture, net of tax	10,142	8,178	10,142	8,178
Profit before tax	175,533	44,574	175,533	44,574
Income tax expense	(54,555)	(29,184)	(54,555)	(29,184)
Profit for the period	120,978	15,390	120,978	15,390
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	36,482	(38,423)	36,482	(38,423)
Share of loss on hedging reserve of equity-accounted associates	(54,205)	(12,951)	(54,205)	(12,951)
Foreign currency translation differences for foreign operations	(12,675)	14,673	(12,675)	14,673
Other comprehensive expense for the period	(30,398)	(36,701)	(30,398)	(36,701)
Total comprehensive income/(expense) for the period	90,580	(21,311)	90,580	(21,311)
Profit attributable to :				
Owners of the Company	103,905	2,642	103,905	2,642
Non controlling interests	17,073	12,748	17,073	12,748
Profit for the period	120,978	15,390	120,978	15,390
Total comprehensive income attributable to :				
Owners of the Company	73,507	(34,059)	73,507	(34,059)
Non controlling interests	17,073	12,748	17,073	12,748
Total comprehensive income for the period	90,580	(21,311)	90,580	(21,311)
Earnings per share attributable to owners of the Company				
Basic (sen)	2.90 ^	0.07 *	2.90 ^	0.07 *
Diluted (sen)	2.60 ^^	0.07 *	2.60 ^^	0.07 *

^ - Based on the issued share capital of 3,582,080,000 units as disclosed in Note 26.
^^ - Based on the issued share capital of 4,000,000,000 units as disclosed in Note 26.
* - Adjusted retrospectively as disclosed in Note 26.

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjuction 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.

Condensed Consolidated Statements of Financial Position
As at 31 March 2015

	As at 31.3.2015 RM'000 (Unaudited)	As at 31.12.2014 RM'000
Non-current assets		
Property, plant and equipment	14,332,966	14,323,952
Intangible assets	4,581,578	4,704,227
Prepaid lease payments	69,246	70,331
Investment in associates	1,198,987	1,203,319
Investment in an equity accounted joint venture	56,510	57,885
Finance lease receivables	1,960,875	1,990,974
Derivative financial assets	152,499	99,147
Other receivables	111,765	114,793
Deferred tax assets	789,406	779,849
Total non-current assets	23,253,832	23,344,477
Current assets		
Trade and other receivables	1,657,481	1,304,283
Inventories	428,258	518,434
Current tax assets	272,117	272,469
Other investments	112,060	321,509
Cash and cash equivalents	3,298,494	3,574,900
Total current assets	5,768,410	5,991,595
Total assets	**29,022,242**	**29,336,072**
Equity		
Share capital	355,523	355,523
Share premium	3,575,837	3,575,837
Reserves	30,876	61,274
Accumulated losses	(25,080)	(28,985)
Equity attributable to owners of the Company	3,937,156	3,963,649
Non-controlling interests	215,040	212,967
Total equity	4,152,196	4,176,616
Non-current liabilities		
Loan and borrowings	17,430,056	17,493,217
Employee benefits	76,434	74,907
Deferred income	2,850,889	2,811,196
Deferred tax liabilities	2,744,961	2,721,062
Derivative financial liabilities	180,629	167,338
Total non-current liabilities	23,282,969	23,267,720
Current liabilities		
Trade and other payables	668,836	975,514
Current tax liabilities	22,901	23,872
Loans and borrowings	731,980	734,262
Deferred income	133,013	130,384
Derivative financial liabilities	30,347	27,704
Total current liabilities	1,587,077	1,891,736
Total liabilities	24,870,046	25,159,456
Total equity and liabilities	**29,022,242**	**29,336,072**
Net assets per share attributable to ordinary equity holders of the parent (RM)	11.21	11.28

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjuction 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.

Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2015

Unaudited	Share capital: Ordinary RM'000	Share capital: Preference RM'000	Share premium: Ordinary RM'000	Share premium: Preference RM'000	Reserves: Capital Redemption RM'000	Reserves: Translation RM'000	Reserves: Hedging RM'000	Distributable: Accumulated Losses RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	/---- Attributable to owners of the Company ----/										
	/---- Non distributable ----/							Distributable			
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
Foreign currency translation differences for foreign operations	-	-	-	-	-	(12,675)	-	-	(12,675)	-	(12,675)
Cash flow hedge	-	-	-	-	-	-	36,482	-	36,482	-	36,482
Share of loss on hedging reserves attributable to associates	-	-	-	-	-	-	(54,205)	-	(54,205)	-	(54,205)
Other comprehensive expense for the period	-	-	-	-	-	(12,675)	(17,723)	-	(30,398)	-	(30,398)
Profit for the period	-	-	-	-	-	-	-	103,905	103,905	17,073	120,978
Comprehensive (expense)/income for the period	-	-	-	-	-	(12,675)	(17,723)	103,905	73,507	17,073	90,580
Dividends to the owners of the Company	-	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)
Total distribution to owners	-	-	-	-	-	-	-	(100,000)	(100,000)	(15,000)	(115,000)
At 31 March 2015	351,344	4,179	3,162,096	413,741	840	(27,619)	57,655	(25,080)	3,937,156	215,040	4,152,196

	Share capital: Ordinary RM'000	Share capital: Preference RM'000	Share premium: Ordinary RM'000	Share premium: Preference RM'000	Reserves: Capital Redemption RM'000	Reserves: Translation RM'000	Reserves: Hedging RM'000	Distributable: Accumulated Losses RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	/---- Attributable to owners of the Company ----/										
	/---- Non distributable ----/							Distributable			
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
Foreign currency translation differences for foreign operations	-	-	-	-	-	14,673	-	-	14,673	-	14,673
Cashflow hedge	-	-	-	-	-	-	(38,423)	-	(38,423)	-	(38,423)
Share of loss on hedging reserves attributable to associates						-	(12,951)	-	(12,951)	-	(12,951)
Other comprehensive income/(expense) for the period	-	-	-	-	-	14,673	(51,374)	-	(36,701)	-	(36,701)
Profit for the period	-	-	-	-	-	-	-	2,642	2,642	12,748	15,390
Comprehensive income/(expense) for the period	-	-	-	-	-	14,673	(51,374)	2,642	(34,059)	12,748	(21,311)
Dividends to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	(6,250)	(6,250)
Total distribution to owners	-	-	-	-	-	-	-	-	-	(6,250)	(6,250)
At 31 March 2014	351,344	4,179	3,162,096	413,741	840	(5,437)	124,707	(169,805)	3,881,665	229,920	4,111,585

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjuction 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.

Condensed Consolidated Statements of Cash Flows
For the period ended 31 March 2015

	3 months ended 31.3.2015 RM'000 (Unaudited)	3 months ended 31.3.2014 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	175,533	44,574
Adjustments for :		
Impairment loss on trade receivables	3,322	27,250
Amortisation of prepaid lease payments	1,085	1,085
Amortisation of intangible assets	133,541	118,116
Amortisation of transaction costs of hedging instruments	2,996	2,996
Depreciation of property, plant and equipment	147,906	132,366
Finance costs	214,390	229,008
Finance income	(45,311)	(39,263)
Property, plant and equipment written off	126	7,457
Expenses related to retirement benefit plans	2,695	2,369
Share of profit of equity-accounted associates and a joint venture, net of tax	(10,142)	(8,178)
	626,141	517,780
Changes in :		
Inventories	90,176	11,158
Trade and other payables	(108,991)	(117,892)
Trade and other receivables	(400,630)	(288,513)
Deferred income	42,322	67,888
Employee benefits	(1,168)	(2,039)
Cash generated from operation	247,850	188,382
Income taxes paid	(33,992)	(952)
Net cash from operating activities	213,858	187,430
Cash flows from investing activities		
Acquisition of property, plant and equipment	(157,046)	(555,670)
Dividend received from associates	7,000	-
Decrease in other investments	209,449	118,404
Interest received	28,398	22,267
Increase in investment in associates	(45,852)	-
Proceeds from redemption on unquoted loan stocks	7,600	400
Redemption of unsecured loan stocks	(9,000)	(9,560)
Net cash from/(used in) investing activities	40,549	(424,159)
Cash flows from financing activities		
Dividends paid to the owners of the Company	(100,000)	-
Dividends paid to non-controlling interests	(15,000)	(6,250)
Interest paid	(312,841)	(310,358)
Proceeds from borrowings	-	527,733
Repayment of borrowings	(102,972)	(66,616)
Net cash (used in)/from financing activities	(530,813)	144,509
Net decrease in cash and cash equivalents	(276,406)	(92,220)
Cash and cash equivalents at beginning of the period	3,574,900	2,375,783
Cash and cash equivalents at end of the period	**3,298,494**	**2,283,563**

1. **Cash and cash equivalents comprise :**

Cash and bank balances	514,342	301,071
Deposits with licensed financial institutions	2,896,212	3,030,042
	3,410,554	3,331,113
Less : Other investments	(112,060)	(1,047,550)
	3,298,494	**2,283,563**

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjuction 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.

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 were prepared in accordance with MFRSs and International Financial Reporting Standards.

The significant accounting policies adopted in this 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 were no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review because of their nature, size and incidence.

5. Changes in estimates

There was no material change in financial estimates that could materially affect the current interim period's financial results for the 3 months ended 31 March 2015.

6. Debt and equity securities

There was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter except for the following:

(i) On 19 January 2015 - Repayment of Segari Energy Ventures Sdn Bhd's subordinated loan notes of RM3.0 million.

(ii) On 24 February 2015 - Repayment of GB3 Sdn Bhd's subordinated loan notes of RM6.0 million.

(iii) On 26 February 2015 - Repayment of Prai Power Sdn Bhd's Al Istisna bond of RM65.0 million.

7. Dividend paid

A final single-tier dividend of 28.46 sen per ordinary share on 351,344,030 ordinary shares, amounting to RM100,000,000 in respect of the financial year ended 31 December 2014 was paid on 5 March 2015.

8. Segment Reporting

The Group's segmental reporting for the current financial period ended 31 March 2015 is as follows:

	Assets Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
Business segments				
Revenue from external customers	1,338.3	8.3	-	1,346.6
Inter-segment revenue	93.9	231.7	(325.6)	-
Total segment revenue	1,432.2	240.0	(325.6)	1,346.6
Results from operating activities	440.0	66.5	(172.0)	334.5
Finance income				45.3
Finance costs				(214.4)
Share of profit of equity-accounted associates and a joint venture, net of tax				10.1
Income tax expense				(54.6)
Profit for the period				120.9

The Group's segmental reporting for the corresponding financial period ended 31 March 2014 is as follows:

	Assets Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
Business segments				
Revenue from external customers	1,232.4	5.7	-	1,238.1
Inter-segment revenue	105.4	223.8	(329.2)	-
Total segment revenue	1,337.8	229.5	(329.2)	1,238.1
Results from operating activities	379.1	68.0	(221.0)	226.1
Finance income				39.3
Finance costs				(229.0)
Share of profit of equity-accounted associates and a joint venture, net of tax				8.2
Income tax expense				(29.2)
Profit for the period				15.4

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 March 2015 except for the amounts carried forward of certain Group 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 31 March 2015 except for on 1 April 2015, Malakoff Corporation Berhad ("The Company") undertook the Pre-IPO exercise in conjunction with and as an integral part of the listing of the Company as below :

a) Conversion of the Redeemable Convertible Preference Shares ("RCPS")
As at 31 March 2015, the Company had a total of 41,792,004 RCPS issued with a par value of RM0.10 each ("Existing RCPS"). In accordance with the terms of the Existing RCPS, the Company issued 1 additional RCPS of RM0.90 each for every 1 Existing RCPS, held by the holders of the Existing RCPS. Thereafter, the Company consolidated 1 Existing RCPS and 1 RCPS of RM0.90 each into 1 new RCPS of RM1.00 each. Subsequently, the RCPS were converted by all holders of the RCPS into 41,792,004 new ordinary shares of RM1.00 each in the Company ("Pre-subdivided Shares") ("Conversion of RCPS").

b) Bonus Issue
Upon completion of the conversion of RCPS, the Company undertook a bonus issue of 6,863,966 new Pre-subdivided Shares, which were credited as fully paid-up, on a pro-rata basis to the existing shareholders of the Company, calculated based on their respective shareholdings in the Company after the Conversion of RCPS ("Bonus Issue"). Subsequently, the issued and paid-up share capital of the Company increased from 393,136,034 Pre-subdivided Shares to 400,000,000 Pre-subdivided Shares.

c) Subdivision of Shares
After the Bonus Issue, the Company undertook a subdivision of 1 Pre-subdivided Share of RM1.00 each in the Company into 10 ordinary shares of RM0.10 each in the Company, which were credited as fully paid-up. Subsequently, the authorised share capital of the Company was altered and increased to RM1,000,000,000

comprising 10,000,000,000 ordinary shares of RM0.10 each whilst the resultant issued and paid-up share capital of the Company is RM400,000,000 comprising 4,000,000,000 ordinary shares of RM0.10 each.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter.

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 bank guarantees issued to third parties:

	31.03.15 RM'mil	**31.12.14** RM'mil
Company and subsidiaries	409.6	368.2

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

13. Capital commitments

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

	31.03.15 RM'mil	**31.12.14** RM'mil
Property, plant and equipment:		
Authorised and contracted for	1,284.5	1,297.4
Authorised but not contracted for	375.5	457.5
	1,660.0	1,754.9

14. Related party transactions

	31.03.15 RM'mil	**31.03.14** RM'mil
Associated company :		
- Interest income on unsecured subordinated loan notes	16.9	15.2

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

The Group’s revenue for the current quarter ended 31 March 2015 was RM1,346.6 million as compared to RM1,238.1 million in the corresponding quarter of the preceding year.

The revenue for the current quarter was higher as compared to the corresponding quarter of the preceding year mainly due to higher capacity factor (CF) registered by Tanjung Bin Power Plant (“TBP”) (2015: 88%, 2014: 56%) and the consolidation of Port Dickson Power’s (“PD Power”) profits pursuant to the completion of its acquisition in April 2014.

The Group’s profit before taxation (“PBT”) for the current quarter ended 31 March 2015 was RM175.5 million as compared to RM44.6 million in the corresponding quarter of the preceding year.

The PBT for the current quarter was higher by RM130.9 million as compared to the corresponding quarter of the preceding year mainly due to higher contribution from TBP, lower finance costs, higher interest income and consolidation of PD Power’s profits pursuant to completion of its acquisition in April 2014.

16. Variation of results against immediate preceding quarter

The Group recorded profit before taxation of RM175.5 million in the current quarter compared with RM202.0 million in the preceding quarter.

This was mainly due to reversal of provision for maintenance arising from scheduled outages at our power plants which occurs during the final quarter of each financial year.

17. Current prospects

The Board of Directors expect the performance of the Group for the financial year ending 31 December 2015 to be better than the previous year. This is due to:-

a) The Tanjung Bin power plant is expected to perform significantly better as all its three units are now available at full capacity and the gas-fired power plants in Lumut and Prai are expected to continue to perform well.

b) The full year contribution from Port Dickson Power pursuant to its acquisition in April 2014 will further enhance the Group's profitability.

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

18. Profit before taxation

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

	3 months ended 31.3.2015 RM'mil	**3 months ended 31.3.2014** RM'mil	**Cumulative 3 months ended 31.3.2015** RM'mil	**Cumulative 3 months ended 31.3.2014** RM'mil
Finance income	(45.3)	(39.3)	(45.3)	(39.3)
Finance costs	214.4	229.0	214.4	229.0
Depreciation	147.9	132.4	147.9	132.4
Amortisation of intangibles	133.5	118.1	133.5	118.1
Impairment loss on trade receivables	3.3	27.3	3.3	27.3
Net foreign exchange loss	28.3	5.9	28.3	5.9

19. Profit forecast or profit guarantee

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

20. Tax expense

	3 months ended 31.3.2015 RM'mil	3 months ended 31.3.2014 RM'mil	Cumulative 3 months ended 31.3.2015 RM'mil	Cumulative 3 months ended 31.3.2014 RM'mil
Current tax expense	33.1	51.8	33.1	51.8
Deferred tax expense	21.5	(22.6)	21.5	(22.6)
Total tax expense	54.6	29.2	54.6	29.2

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

21. Status of corporate proposals announced

The Company issued its Prospectus on 17 April 2015 in conjunction with the listing of and quotation for the entire 5,000,000,000 ordinary shares of RM0.10 each on the Main Market of Bursa Malaysia Securities Berhad comprising an offer for sale of up to 521,740,000 existing shares and a public issue of 1,000,000,000 new shares involving:

(i) Institutional Offering of up to 1,279,240,000 Shares to Malaysian and foreign Institutional and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry at the institutional price to be determined by way of book building ("Institutional Price"); and

(ii) Retail Offering of 242,500,000 issue shares to the Directors of the Company, the eligible employees of the Company and its subsidiaries ("the Group"), persons who have contributed to the success of the Group, the Directors and eligible employees of MMC Corporation Berhad ("MMC"), the entitled shareholders of MMC and the Malaysian public, at the retail price of RM1.80 per share ("retail price").

The retail price was payable in full upon application and subject to refund of the difference between the retail price and the final retail price in the event that the final retail price is less than the retail price.

Subject to the clawback and reallocation provisions and the over-allotment option, the final retail price will be equal to the lower of:-

a) the retail price of RM1.80 per share; or
b) the Institutional Price.

The Institutional Offering and Retail Offering closed on 27 April 2015 and 28 April 2015, respectively and the Institutional price and final retail price have been determined at RM1.80 per share. The Company's entire issued and fully paid-up share capital was listed on the Main Market of Bursa Malaysia Securities Berhad on 15 May 2015. The entire gross proceeds from the public issue of RM1,800.0 million has been utilised by the Company to fully redeem the Unrated Junior Sukuk Musharakah.

For the details of the listing, please refer to Bursa Malaysia's website.

22. Borrowings

	31.3.2015 RM'mil	**31.12.2014 RM'mil**
Current		
- secured	732.0	734.3
Non-Current		
- secured	14,454.7	14,508.9
- unsecured	2,975.3	2,984.3
	17,430.0	17,493.2
	18,162.0	18,227.5

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

	31.3.2015 RM'mil	**31.12.2014 RM'mil**
Functional currency		
- RM	15,920.0	16,001.6
- AUD	1,928.7	1,930.1
- USD	313.3	295.8
	18,162.0	18,227.5

23. Realised and unrealised profit/(losses) disclosure

The accumulated losses as at 31 March 2015 is analysed as follows :-

	31.3.2015 RM'mil
Total retained earnings of the Company and its subsidiaries	
- realised	7,515.0
- unrealised	(909.2)
	6,605.8
Total retained earnings from associated companies	
- realised	202.0
- unrealised	(54.9)
	147.1
Total retained earnings from equity accounted joint venture	
- unrealised	(7.6)
Total retained earnings before consolidation adjustments	6,745.3
Less : consolidation adjustments	(6,770.4)
Total accumulated losses	(25.1)

24. Changes in material litigation

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

(i) Arbitration proceedings between the Claimant, PD Power Berhad ("PD Power") and the Respondent, Tenaga Nasional Berhad ("TNB")

On 26 March 2013, PD Power commenced arbitration proceedings against TNB in relation to the following:

(a) a claim by PD Power against TNB of an amount of RM56,642,029.42 for the outstanding fixed operating rate ("FOR") and variable operating rate ("VOR") adjustments for the period from February 1999 to November 2011 together with interest thereon; and

(b) a claim that PD Power is entitled to bill and be paid by TNB for the capacity payments and energy payments from December 2011 onwards based on the adjusted FOR and VOR of RM7.05/kW/month and RM0.0157/kWh, respectively, pursuant to the PD Power power purchase agreement dated 10 December 1993 ("PPA").

Alternatively, PD Power claimed the following:

(a) an amount of RM86,891,242.50 against TNB for the outstanding FOR and VOR adjustments for the period from February 1999 to August 2013 together with interest thereon, pursuant to the adjustment factors of the FOR and VOR stipulated in the PD Power PPA; and

(b) a claim that PD Power is entitled to bill and be paid by TNB for the capacity payments and energy payments from September 2013 onwards based on the adjusted FOR and VOR of RM7.05/kW/month and RM0.0204/kWh, respectively, pursuant to the PD Power PPA.

The arbitration proceeding was heard before an arbitral tribunal from 26 January 2015 to 30 January 2015 at the Kuala Lumpur Regional Centre for Arbitration. After conclusion of the oral submissions by the parties, the arbitral tribunal directed PD Power to provide the latest calculation of PD Power's claims and to revise the reliefs sought on or before 13 February 2015, while TNB is to provide its comments on the calculations prepared by PD Power on or before 6 March 2015. Both Parties have complied with the arbitral tribunal's directions.

The award to be rendered by the arbitral tribunal will include an award on costs incurred for the arbitration proceedings. The arbitral tribunal directed the parties to file submissions on costs, being the total legal costs and disbursements incurred. The parties are to exchange their submissions on costs on or before 13 March 2015 and the parties are given leave to reply to the other party's submissions on costs on or before 27 March 2015. Both parties have filed their respective costs submissions on 13 March 2015. It is expected that the award from the arbitral tribunal will be rendered within a month after the submission on costs and the reply (if any) are delivered by the parties to the arbitral tribunal. However, the arbitral tribunal did not provide a specific date for the delivery of the award.

PD Power's solicitors believe that PD Power's position as set out above should prevail.

(ii) 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”), all 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, these 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 has 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. Our 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 has on 24 December 2014 convicted AAS and has 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 has 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 is fixed for hearing on 27 May 2015. The Court of Appeal is expected to decide within approximately six months from the date of the appeal.

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

(iii) 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 has filed a response to the request for arbitration on 30 October 2014, defending its position as to the enforceability of the LD Clause and has 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 procedural timetable for the arbitration has been agreed and the hearing has been scheduled for 10 January 2016.

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

25. Dividend Payable

The Directors recommend a single-tier interim ordinary dividend of approximately 3 sen per ordinary share totalling RM150,000,000 in respect of the financial year ending 31 December 2015. The interim dividend will be paid on 8 July 2015 to shareholders registered on the Company's Register of Members at the close of business on 12 June 2015.

As for the financial year ended 31 December 2014, the Directors recommend the following:-

(i) an interim single-tier dividend of 16.14 sen per ordinary share on the 351,344,030 ordinary shares, amounting to RM56,707,996 in respect of the financial year ended 31 December 2014.

(ii) an interim single-tier preference dividend of RM1.00 per share totalling RM41,792,004 in respect of the financial year ended 31 December 2014.

These dividends were subsequently paid on 8 April 2014.

26. Earnings per ordinary share

(i) Basic

For the basic earnings per share calculation, the number of ordinary shares in issue is computed after completion of the Bonus Issue and Subdivision of Shares exercise as disclosed in Note 10.

	3 months ended 31.3.2015	3 months ended 31.3.2014	Cumulative 3 months ended 31.3.2015	Cumulative 3 months ended 31.3.2014
Profit for the period attributable to owners of the Company (RM'mil)	103.9	2.6	103.9	2.6
Number of ordinary shares ('mil)	3,582	3,582	3,582	3,582
Basic earnings per ordinary share (sen)	2.90	0.07	2.90	0.07

(ii) Diluted

For the diluted earnings per share calculation, the number of ordinary shares in issue is computed after completion of the Conversion of Redeemable Convertible Preference Shares, Bonus Issue and Subdivision of Shares exercise as disclosed in Note 10.

	3 months ended 31.3.2015	3 months ended 31.3.2014	Cumulative 3 months ended 31.3.2015	Cumulative 3 months ended 31.3.2014
Profit for the period attributable to owners of the Company (RM'mil)	103.9	2.6	103.9	2.6
Number of ordinary shares ('mil)	4,000	4,000	4,000	4,000
Diluted earnings per ordinary share (sen)	2.60	0.07	2.60	0.07

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 27 May 2015.

By Order of the Board
Yeoh Soo Mei (L.S. No.7032259)
Nisham@Abu Bakar bin Ahmad (L.S. No.7043879)
Secretaries
Kuala Lumpur
27 May 2015