Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the period ended 30 June 2015

	3 months ended 30.06.2015 RM'000 (Unaudited)	3 months ended 30.06.2014 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2015 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2014 RM'000 (Unaudited)
Revenue	1,295,764	1,466,138	2,642,384	2,704,243
Cost of sales	(909,205)	(1,049,030)	(1,806,990)	(1,918,758)
Gross profit	386,559	417,108	835,394	785,485
Other income	17,440	3,061	25,846	6,700
Administrative expenses	(27,665)	(58,359)	(109,065)	(120,794)
Other operating expenses	(38,635)	(54,127)	(80,006)	(137,567)
Results from operating activities	337,699	307,683	672,169	533,824
Finance income	48,344	41,755	93,655	81,018
Finance costs	(202,187)	(227,629)	(416,577)	(456,637)
Net finance costs	(153,843)	(185,874)	(322,922)	(375,619)
Other non-operating income	-	59,133	-	59,133
Share of (loss)/profit of equity-accounted associates and a joint venture, net of tax	(26,319)	(6,760)	(16,177)	1,418
Profit before tax	157,537	174,182	333,070	218,756
Income tax expense	(59,822)	(37,665)	(114,377)	(66,849)
Profit for the period	97,715	136,517	218,693	151,907
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(89,837)	(27,167)	(53,355)	(65,590)
Share of profit/(loss) on hedging reserve of equity-accounted associates	39,448	4,572	(14,757)	(8,379)
Foreign currency translation differences for foreign operations	3,037	16,063	(9,638)	30,736
Other comprehensive expense for the period	(47,352)	(6,532)	(77,750)	(43,233)
Total comprehensive income for the period	50,363	129,985	140,943	108,674
Profit attributable to :				
Owners of the Company	86,293	118,083	190,198	120,725
Non controlling interests	11,422	18,434	28,495	31,182
Profit for the period	97,715	136,517	218,693	151,907
Total comprehensive income attributable to :				
Owners of the Company	38,941	111,551	112,448	77,492
Non controlling interests	11,422	18,434	28,495	31,182
Total comprehensive income for the period	50,363	129,985	140,943	108,674
Earnings per share attributable to owners of the Company				
Basic (sen)	1.90 ^	3.30 ^	4.69 ^	3.37 ^
Diluted (sen)	1.90 ^	2.95 ^	4.46 ^	3.02 ^

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

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

Condensed Consolidated Statement of Financial Position
As at 30 June 2015

	As at 30.06.2015 RM'000 (Unaudited)	As at 31.12.2014 RM'000
Non-current assets		
Property, plant and equipment	14,560,904	14,323,952
Intangible assets	4,458,927	4,704,227
Prepaid lease payments	68,160	70,331
Investment in associates	1,192,360	1,203,319
Investment in an equity accounted joint venture	56,172	57,885
Finance lease receivables	2,024,291	1,990,974
Derivative financial assets	239,218	99,147
Other receivables	108,737	114,793
Deferred tax assets	789,083	779,849
Total non-current assets	23,497,852	23,344,477
Current assets		
Trade and other receivables	1,647,943	1,304,283
Inventories	590,731	518,434
Current tax assets	291,921	272,469
Other investments	184,469	321,509
Cash and cash equivalents	3,661,445	3,574,900
Total current assets	6,376,509	5,991,595
Total assets	**29,874,361**	**29,336,072**
Equity		
Share capital	500,000	355,523
Share premium	5,198,712	3,575,837
Reserves	(16,476)	61,274
Retained profits/(Accumulated losses)	61,213	(28,985)
Equity attributable to owners of the Company	5,743,449	3,963,649
Non controlling interests	221,462	212,967
Total equity	5,964,911	4,176,616
Non-current liabilities		
Loan and borrowings	16,486,828	17,493,217
Employee benefits	78,084	74,907
Deferred income	2,891,235	2,811,196
Deferred tax liabilities	2,751,607	2,721,062
Derivative financial liabilities	134,511	167,338
Total non current liabilities	22,342,265	23,267,720
Current liabilities		
Trade and other payables	678,747	975,514
Current tax liabilities	25,047	23,872
Loans and borrowings	696,537	734,262
Deferred income	31,212	130,384
Derivative financial liabilities	135,642	27,704
Total current liabilities	1,567,185	1,891,736
Total liabilities	23,909,450	25,159,456
Total equity and liabilities	**29,874,361**	**29,336,072**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.15	11.28

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

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2015

	Attributable to owners of the Company										
	Non distributable							Distributable			
	Share capital		Share premium		Reserves						
	Ordinary RM'000	Preference RM'000	Ordinary RM'000	Preference RM'000	Capital Redemption RM'000	Translation RM'000	Hedging RM'000	Retained Profits / (Accumulated Losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2015	351,344	4,179	3,162,096	413,741	840	(14,944)	75,378	(28,985)	3,963,649	212,967	4,176,616
Foreign currency translation differences for foreign operations	-	-	-	-	-	(9,638)	-	-	(9,638)	-	(9,638)
Cash flow hedge	-	-	-	-	-	-	(53,355)	-	(53,355)	-	(53,355)
Share of loss on hedging reserves attributable to associates	-	-	-	-	-	-	(14,757)	-	(14,757)	-	(14,757)
Other comprehensive income/(expense) for the period	-	-	-	-	-	(9,638)	(68,112)	-	(77,750)	-	(77,750)
Profit for the period	-	-	-	-	-	-	-	190,198	190,198	28,495	218,693
Total comprehensive income/(expense) for the period	-	-	-	-	-	(9,638)	(68,112)	190,198	112,448	28,495	140,943
Issuance of shares pursuant to:											
- Preference shares issue	-	37,613	-	(37,613)	-	-	-	-	-	-	-
- Preference shares conversion	41,792	(41,792)	376,128	(376,128)	-	-	-	-	-	-	-
- Bonus issue	6,864	-	(6,864)	-	-	-	-	-	-	-	-
- Ordinary shares issue	100,000	-	1,700,000	-	-	-	-	-	1,800,000	-	1,800,000
- Share issue expenses	-	-	(32,648)	-	-	-	-	-	(32,648)	-	(32,648)
Dividends to the owners of the Company	-	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Total transactions with owners	148,656	(4,179)	2,036,616	(413,741)	-	-	-	(100,000)	1,667,352	(20,000)	1,647,352
At 30 June 2015	500,000	-	5,198,712	-	840	(24,582)	7,266	61,213	5,743,449	221,462	5,964,911
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	-	-	-	-	-	30,736	-	-	30,736	-	30,736
Cash flow hedge	-	-	-	-	-	-	(65,590)	-	(65,590)	-	(65,590)
Share of loss on hedging reserves attributable to associates						-	(8,379)	-	(8,379)	-	(8,379)
Other comprehensive income/(expense) for the period	-	-	-	-	-	30,736	(73,969)	-	(43,233)	-	(43,233)
Profit for the period	-	-	-	-	-	-	-	120,725	120,725	31,182	151,907
Total comprehensive income/(expense) for the period	-	-	-	-	-	30,736	(73,969)	120,725	77,492	31,182	108,674
Dividends to the owners of the Company	-	-	-	-	-	-	-	(98,500)	(98,500)	-	(98,500)
Dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	(31,250)	(31,250)
Total transactions with owners	-	-	-	-	-	-	-	(98,500)	(98,500)	(31,250)	(129,750)
At 30 June 2014	351,344	4,179	3,162,096	413,741	840	10,626	102,112	(150,222)	3,894,716	223,354	4,118,070

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

Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2015

	6 months ended 30.6.2015 RM'000 (Unaudited)	6 months ended 30.6.2014 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	333,070	218,756
Adjustments for :		
Impairment loss on trade receivables	7,046	31,582
Amortisation of prepaid lease payments	2,171	2,172
Amortisation of intangible assets	267,084	245,984
Amortisation of transaction costs of hedging instruments	6,024	6,023
Depreciation of property, plant and equipment	298,523	270,845
Finance costs	416,577	456,637
Finance income	(93,655)	(81,018)
(Gain)/Loss arising from change in fair value of derivative financial instruments	(3,447)	9,767
Property, plant and equipment written off	26,509	17,472
Expenses related to retirement benefit plans	4,820	4,515
Share of loss/(profit) of equity-accounted associates and a joint venture, net of tax	16,177	(1,418)
	1,280,899	1,181,317
Changes in:		
Inventories	(72,297)	26,860
Trade and other payables	118,191	199,739
Trade and other receivables	(595,070)	(433,459)
Deferred income	85,297	136,682
Employee benefits	(1,643)	(3,537)
Cash generated from operations	815,377	1,107,602
Income taxes paid	(116,854)	(66,449)
Net cash from operating activities	698,523	1,041,153
Cash flows from investing activities		
Acquisition of property, plant and equipment	(561,984)	(1,201,280)
Dividend received from associates	22,245	12,168
Decrease in other investments	137,040	749,030
Interest received	59,345	48,662
Increase in investment in associates	(45,852)	-
Proceeds from redemption on unquoted loan stocks	7,600	400
Redemption of unsecured loan stocks	(14,747)	(13,520)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(153,541)
Net cash used in investing activities	(396,353)	(558,081)
Cash flows from financing activities		
Dividends paid to the owners of the Company	(100,000)	(98,500)
Dividends paid to non-controlling interests	(20,000)	(31,250)
Interest paid	(495,793)	(496,470)
Issue of shares	1,800,000	-
Payment of listing expenses	(32,648)	-
Proceeds from borrowings	583,967	1,065,116
Repayment of borrowings	(1,951,151)	(274,266)
Net cash (used in)/from financing activities	(215,625)	164,630
Net increase in cash and cash equivalents	86,545	647,702
Cash and cash equivalents at beginning of the period	3,574,900	2,375,783
Cash and cash equivalents at end of the period	**3,661,445**	**3,023,485**

Cash and cash equivalents comprise :		
Cash and bank balances	545,857	583,168
Deposits with licensed financial institutions	3,300,057	2,857,241
	3,845,914	3,440,409
Less : Other investments	(184,469)	(416,924)
	3,661,445	**3,023,485**

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

Notes to the interim financial statements

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134, Interim Financial Reporting and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 17 April 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

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

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

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

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operations have not been affected by seasonal or cyclical factors.

4. Unusual items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review because of their nature, size and incidence, other than before the Pre-Initial Public Offering exercise implemented on 1 April 2015, the share capital of the Company was RM355,523,230 comprising 351,344,030 ordinary shares of RM1.00 each and 41,792,004 redeemable convertible preference shares of RM0.10 each. Following the Pre-Initial Public Offering and Initial Public Offering exercises on 1 April 2015 and 13 May 2015 respectively, the issued and fully paid-up ordinary share capital of the Company had increased to RM500,000,000 comprising 5,000,000,000 ordinary shares of RM0.10 each.

5. Changes in estimates

There was no material change in financial estimates that could materially affect the current quarter ended 30 June 2015.

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for on 11 May 2015 there was a final repayment of TBP's subordinated loan notes of RM5.6 million.

7. Dividend paid

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

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

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

8. Segment Reporting

The Group's segmental reporting for the current quarter ended 30 June 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	2,625.9	16.5	-	2,642.4
Inter-segment revenue	171.3	481.8	(653.1)	-
Total segment revenue	2,797.2	498.3	(653.1)	2,642.4
Results from operating activities	857.2	144.6	(329.6)	672.2
Finance income				93.7
Finance costs				(416.6)
Share of loss of equity-accounted associates and a joint venture, net of tax				(16.2)
Income tax expense				(114.4)
Profit for the period				218.7

The Group's segmental reporting for the corresponding quarter ended 30 June 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	2,690.1	14.1	-	2,704.2
Inter-segment revenue	431.8	447.7	(879.5)	-
Total segment revenue	3,121.9	461.8	(879.5)	2,704.2
Results from operating activities	1,103.2	84.9	(654.3)	533.8
Finance income				81.0
Finance costs				(456.6)
Other non-operating income				59.1
Share of profit of equity-accounted associates and a joint venture, net of tax				1.4
Income tax expense				(66.8)
Profit for the period				151.9

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 30 June 2015 except for the amounts carried forward of certain Group's properties that had been revalued in the past.

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

There was no material event subsequent to the end of the current quarter ended 30 June 2015.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 June 2015.

12. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2014 except for the following bank guarantees issued to third parties:

	30.06.15 RM'mil	**31.12.14** RM'mil
Company and subsidiaries	437.2	368.2

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

13. Capital commitments

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

	30.06.15 RM'mil	**31.12.14** RM'mil
Property, plant and equipment:		
Authorised and contracted for	1,211.2	1,297.4
Authorised but not contracted for	329.9	457.5
	1,541.1	1,754.9

14. Related party transactions

	30.06.15 RM'mil	**30.06.14** RM'mil
Associated company :		
- Interest income on unsecured subordinated loan notes	34.3	32.4

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

Quarter 2, 2015 ("2Q15") vs Quarter 2, 2014 ("2Q14")

The Group's revenue for 2Q15 was RM1,295.8 million, which was lower as compared to RM1,466.1 million in 2Q14.

This was mainly due to lower capacity factor registered by all our gas fired power plants and lower distillate firing, which was offset by the consolidation of Port Dickson Power's ("PDP") revenue pursuant to the completion of its acquisition in April 2014. In addition, this was also partly due to the usual schedule outages taken by certain plants as part of its maintenance cycle.

The Group's profit before taxation ("PBT") for 2Q15 was RM157.5 million, which was lower as compared to RM174.2 million in 2Q14.

This was mainly due to recognition of fair valuation gains from our acquisition of the remaining 75% equity in PDP in corresponding quarter, share of losses recorded by an associated company which was partly offset by lower finance cost following the redemption of the Unrated Junior Sukuk Musharakah from Initial Public Offering proceeds in the current quarter.

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

The Group's revenue for YTD15 was RM2,642.4 million, which was lower as compared to RM2,704.2 million in YTD14.

This was mainly due to lower capacity factor registered by all our gas fired power plants and lower distillate firing, which was offset by the consolidation of Port Dickson Power's ("PDP") revenue pursuant to the completion of its acquisition in April 2014. In addition, this was also partly due to the usual schedule outages taken by certain plants as part of its maintenance cycle.

The Group's profit before taxation ("PBT") for YTD15 was RM333.1 million, which was higher as compared to RM218.8 million in YTD14.

This was mainly due to higher contribution from Tanjung Bin Power, lower finance cost and higher interest income which was offset by higher losses recorded by our associated companies and fair valuation gains from our acquisition of the remaining 75% equity in PDP in the corresponding quarter.

16. Variation of results against immediate preceding quarter

Quarter 2, 2015 ("2Q15") vs Quarter 1, 2015 ("1Q15")

The Group recorded lower profit before taxation of RM157.5 million in the current quarter compared with RM175.5 million in the preceding quarter.

This was mainly due to higher losses recorded by our associated companies which was partly offset by lower finance cost following the redemption of the Unrated Junior Sukuk Musharakah from Initial Public Offering proceeds.

17. Current prospects

The Directors expect the performance of the Group for the financial year ending 31 December 2015 to be better than the previous year due to the following :

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 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 30.06.2015 RM'mil	3 months ended 30.06.2014 RM'mil	Cumulative 6 months ended 30.06.2015 RM'mil	Cumulative 6 months ended 30.06.2014 RM'mil
Finance income	(48.4)	(41.7)	(93.7)	(81.0)
Finance cost	202.2	227.6	416.6	456.6
Depreciation	150.6	138.4	298.5	270.8
Amortisation of intangibles	133.6	127.9	267.1	246.0
Impairment loss on trade receivables	3.7	4.3	7.0	31.6
Net foreign exchange (gain)/loss	(28.2)	3.1	0.1	9.0

19. Profit forecast or profit guarantee

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

20. Tax expense

	3 months ended 30.06.2015 RM'mil	3 months ended 30.06.2014 RM'mil	Cumulative 6 months ended 30.06.2015 RM'mil	Cumulative 6 months ended 30.06.2014 RM'mil
Current tax expense	64.4	35.1	97.5	86.9
Deferred tax expense	(4.6)	2.6	16.9	(20.0)
Total tax expense	59.8	37.7	114.4	66.9

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

There was no status of corporate proposals announced other than the listing exercise of the Company that was completed via its listing on the Main Market of Bursa Malaysia Securities Berhad on 15 May 2015.

22. Borrowings

	30.06.2015 RM'mil	31.12.2014 RM'mil
Current		
- secured	696.5	734.3
Non-current		
- secured	15,201.6	14,508.9
- unsecured	1,285.2	2,984.3
	16,486.8	17,493.2
	17,183.3	18,227.5

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

	30.06.2015 RM'mil	31.12.2014 RM'mil
Functional currency		
- RM	14,890.6	16,001.6
- AUD	1,978.6	1,930.1
- USD	314.1	295.8
	17,183.3	18,227.5

23. Realised and unrealised profit/(losses) disclosure

The retained profits as at 30 June 2015 is analysed as follows :-

	30.06.2015 RM'mil
Total retained earnings of the Company and its subsidiaries	
- realised	7,742.8
- unrealised	(931.4)
	6,811.4
Total retained earnings from associated companies	
- realised	164.7
- unrealised	(43.5)
	121.2
Total retained earnings from equity accounted joint venture	
- unrealised	(7.9)
Total retained earnings before consolidation adjustments	6,924.7
Less : consolidation adjustments	(6,863.5)
Total retained profit	61.2

24. Changes in material litigation

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

(i) 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 had 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 had filed their respective costs submissions on 13 March 2015. However, the arbitral tribunal did not provide a specific date for the delivery of the award and will notify the parties once the award is available.

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"), for the construction of the Souk Tleta IWP. The parties also signed a bridging agreement to treat the supply contract and the construction contract as one single contract.

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

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

On 4 September 2014, AAS was charged in the lower Court of Ghazouet in the district of Tlemcen, Algeria ("Court"), for an alleged breach of foreign exchange regulations concerning a sum of USD26.9 million. The Company holds an indirect effective interest of 35.7% in AAS via Tlemchen Desalination Investment Company SAS ("TDIC"), which in turn is a subsidiary of Malakoff International Limited.

The Court had on 24 December 2014 convicted AAS and had subsequently imposed a penalty of AD3,929,038,151.36 (approximately USD44.6 million at the exchange rate of USD1: AD88) ("Penalty"). Our liability arising from the Penalty, in proportion to our 35.7% effective interest in AAS via TDIC, which may impact the PAT of our Group, amounts to AD1,402,666,620.03 (approximately USD15.9 million).

Notwithstanding the decision of the Court, AAS had been advised by its solicitor, Maitre Ahcene Bouskia, an attorney admitted to the Algerian Supreme Court, that the Penalty would not be enforced until the exhaustion of all rights to appeal by AAS in respect of the proceedings. AAS has on 29 December 2014 filed an appeal against the decision by the Court to the Algerian Court of Appeal. The appeal was fixed for hearing on 27 May 2015, but was postponed to 10 June 2015. However, on 10 June 2015, the Court of Appeal had adjourned the appeal pending outcome and report from an independent expert ("Expert") to be appointed by the Court of Appeal. The Expert had been appointed on 26 July 2015 and has a period of two months from the date of his appointment to finalise and submit the report to the Court of Appeal. It is anticipated that a new hearing date in respect of the appeal will be fixed end of September or early October 2015 following the submission of the report by the Expert. However, the Expert can request for a longer period if the two months period is insufficient to finalise the report.

Based on the legal opinion provided by AAS' solicitor, AAS has a good chance of success in its appeal, 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 takes the view that the Delay LD is not a penalty and therefore is enforceable.

MCDC had filed a response to the request for arbitration on 30 October 2014, defending its position as to the enforceability of the LD Clause and had required IWT to further particularise its claims. A tribunal was appointed by the LCIA on 13 February 2015 and a procedural hearing took place on 14 May 2015. A procedural timetable for the arbitration has been agreed and the hearing has been scheduled for 10 January 2016.

25. Dividend Payable

No dividend has been recommended by the Directors in respect of the current quarter ended 30 June 2015.

In the corresponding quarter ended 30 June 2014, the Directors recommended a single-tier interim ordinary dividend of approximately 28.46 sen per ordinary share totalling RM100,000,000.00 in respect of the financial year ended 31 December 2014. The dividend was paid on 9 September 2014.

26. Earnings per ordinary share

Basic Earnings Per Ordinary Share ("EPS")

	3 months ended 30.06.2015	**3 months ended 30.06.2014**	**Cumulative 6 months ended 30.06.2015**	**Cumulative 6 months ended 30.06.2014**
Profit for the period attributable to owners of the Company (RM'mil)	86.3	118.1	190.2	120.7
Weighted average number of ordinary shares ('mil)	4,533.3	3,582.1	4,055.1	3,582.1
Basic earnings per ordinary share (sen)	1.90	3.30	4.69	3.37

Diluted Earnings Per Ordinary Share ("EPS")

	3 months ended 30.06.2015	**3 months ended 30.06.2014**	**Cumulative 6 months ended 30.06.2015**	**Cumulative 6 months ended 30.06.2014**
Profit for the period attributable to owners of the Company (RM'mil)	86.3	118.1	190.2	120.7
Weighted average number of ordinary shares ('mil)	4,533.3	4,000.0	4,265.2	4,000.0
Diluted earnings per ordinary share (sen)	1.90	2.95	4.46	3.02

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 21 August 2015.

By Order of the Board
Yeoh Soo Mei (MAICSA No.7032259)
Nisham@Abu Bakar bin Ahmad (MAICSA No.7043879)
Secretaries
Kuala Lumpur
21 August 2015