

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**Quarterly Report on Unaudited Consolidated Results**  
**For the period ended 30 June 2016**

	<b>3 months ended 30.6.2016 RM'000 (Unaudited)</b>	<b>3 months ended 30.6.2015 RM'000 (Unaudited)</b>	<b>Cumulative 6 months ended 30.6.2016 RM'000 (Unaudited)</b>	<b>Cumulative 6 months ended 30.6.2015 RM'000 (Unaudited)</b>
Revenue	1,526,482	1,295,764	2,870,591	2,642,384
Cost of sales	<u>(1,094,708)</u>	<u>(909,205)</u>	<u>(2,072,350)</u>	<u>(1,806,990)</u>
<b>Gross profit</b>	431,774	386,559	798,241	835,394
Other income	73,103	17,440	93,181	25,846
Administrative expenses	(67,016)	(27,665)	(126,245)	(109,065)
Other operating expenses	<u>(52,750)</u>	<u>(38,635)</u>	<u>(94,287)</u>	<u>(80,006)</u>
<b>Results from operating activities</b>	385,111	337,699	670,890	672,169
Finance income	53,408	48,344	91,718	93,655
Finance costs	(271,967)	(202,187)	(462,104)	(416,577)
<b>Net finance costs</b>	(218,559)	(153,843)	(370,386)	(322,922)
Share of loss of equity-accounted associates and a joint venture, net of tax	<u>(7,690)</u>	<u>(26,319)</u>	<u>(1,850)</u>	<u>(16,177)</u>
<b>Profit before tax</b>	158,862	157,537	298,654	333,070
Income tax expense	(15,739)	(59,822)	(56,039)	(114,377)
<b>Profit for the period</b>	<u>143,123</u>	<u>97,715</u>	<u>242,615</u>	<u>218,693</u>
<b>Other comprehensive (expense)/income, net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Cash flow hedge	(51,800)	(89,837)	(83,472)	(53,355)
Share of (loss)/profit on hedging reserve of equity-accounted associates	(16,928)	39,448	(37,466)	(14,757)
Foreign currency translation differences for foreign operations	14,628	3,037	545	(9,638)
<b>Other comprehensive expense for the period</b>	<u>(54,100)</u>	<u>(47,352)</u>	<u>(120,393)</u>	<u>(77,750)</u>
<b>Total comprehensive income for the period</b>	<u>89,023</u>	<u>50,363</u>	<u>122,222</u>	<u>140,943</u>
<b>Profit attributable to :</b>				
Owners of the Company	129,628	86,293	213,726	190,198
Non-controlling interests	<u>13,495</u>	<u>11,422</u>	<u>28,889</u>	<u>28,495</u>
<b>Profit for the period</b>	<u>143,123</u>	<u>97,715</u>	<u>242,615</u>	<u>218,693</u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	75,528	38,941	93,333	112,448
Non-controlling interests	<u>13,495</u>	<u>11,422</u>	<u>28,889</u>	<u>28,495</u>
<b>Total comprehensive income for the period</b>	<u>89,023</u>	<u>50,363</u>	<u>122,222</u>	<u>140,943</u>
<b>Earnings per ordinary share attributable to owners of the Company</b>				
Basic (sen)	2.59	1.90 ^	4.27	4.69 ^
Diluted (sen)	2.59	1.90 ^	4.27	4.46 ^

^ - 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 Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statements of Financial Position**  
**As at 30 June 2016**

	<b>As at 30.6.2016 RM'000 (Unaudited)</b>	<b>As at 31.12.2015 RM'000 (Audited)</b>
<b>Non-current assets</b>		
Property, plant and equipment	15,049,580	15,059,639
Intangible assets	3,962,163	4,206,253
Prepaid lease payments	70,646	69,852
Investment in associates	1,100,154	1,179,323
Investment in an equity accounted joint venture	46,468	55,440
Finance lease receivables	2,099,388	2,197,169
Derivative financial assets	365,391	509,010
Other receivables	97,177	102,615
Deferred tax assets	851,241	817,933
<b>Total non-current assets</b>	<b>23,642,208</b>	<b>24,197,234</b>
<b>Current assets</b>		
Trade and other receivables	2,179,451	1,882,638
Inventories	672,339	575,094
Current tax assets	223,719	235,039
Other investments	1,009,349	629,241
Cash and cash equivalents	2,690,411	2,853,346
<b>Total current assets</b>	<b>6,775,269</b>	<b>6,175,358</b>
<b>Total assets</b>	<b>30,417,477</b>	<b>30,372,592</b>
<b>Equity</b>		
Share capital	500,000	500,000
Share premium	5,192,215	5,192,215
Reserves	(82,770)	37,623
Retained profits	187,438	73,712
<b>Equity attributable to owners of the Company</b>	<b>5,796,883</b>	<b>5,803,550</b>
Non-controlling interests	233,893	215,004
<b>Total equity</b>	<b>6,030,776</b>	<b>6,018,554</b>
<b>Non-current liabilities</b>		
Loan and borrowings	15,812,786	16,624,567
Employee benefits	87,802	84,898
Provision for decommissioning cost	83,149	68,058
Deferred income	3,067,722	2,968,256
Derivative financial liabilities	152,373	152,497
Deferred tax liabilities	2,654,315	2,726,034
<b>Total non-current liabilities</b>	<b>21,858,147</b>	<b>22,624,310</b>
<b>Current liabilities</b>		
Trade and other payables	823,186	824,322
Current tax liabilities	47,520	12,134
Loans and borrowings	1,492,433	723,041
Derivative financial liabilities	19,090	29,124
Deferred income	146,325	141,107
<b>Total current liabilities</b>	<b>2,528,554</b>	<b>1,729,728</b>
<b>Total liabilities</b>	<b>24,386,701</b>	<b>24,354,038</b>
<b>Total equity and liabilities</b>	<b>30,417,477</b>	<b>30,372,592</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.16</b>	<b>1.16</b>

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 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 2016**

	/----- Attributable to owners of the Company -----/										
	/----- Non distributable -----/							Distributable			
	Share capital		Share premium		Reserves			Retained Profits / (Accumulated Losses)	Total	Non-controlling interests	Total Equity
Ordinary RM'000	Preference RM'000	Ordinary RM'000	Preference RM'000	Capital Redemption RM'000	Translation RM'000	Hedging RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2016	500,000	-	5,192,215	-	840	17,105	19,678	73,712	5,803,550	215,004	6,018,554
Foreign currency translation differences for foreign operations	-	-	-	-	-	545	-	-	545	-	545
Cash flow hedge	-	-	-	-	-	-	(83,472)	-	(83,472)	-	(83,472)
Share of loss on hedging reserves attributable to associates	-	-	-	-	-	-	(37,466)	-	(37,466)	-	(37,466)
Other comprehensive expense for the period	-	-	-	-	-	545	(120,938)	-	(120,393)	-	(120,393)
Profit for the period	-	-	-	-	-	-	-	213,726	213,726	28,889	242,615
Comprehensive (expense)/income for the period	-	-	-	-	-	545	(120,938)	213,726	93,333	28,889	122,222
Dividends to owners of the Company	-	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)
Total distribution to owners	-	-	-	-	-	-	-	(100,000)	(100,000)	(10,000)	(110,000)
At 30 June 2016	500,000	-	5,192,215	-	840	17,650	(101,260)	187,438	5,796,883	233,893	6,030,776
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 expense for the period	-	-	-	-	-	(9,638)	(68,112)	-	(77,750)	-	(77,750)
Profit for the period	-	-	-	-	-	-	-	190,198	190,198	28,495	218,693
Comprehensive (expense)/income 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 owners of the Company	-	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Total distribution to 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

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statements of Cash Flows**  
**For the period ended 30 June 2016**

	<b>6 months ended 30.6.2016 RM'000 (Unaudited)</b>	<b>6 months ended 30.6.2015 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	298,654	333,070
<b>Adjustments for :</b>		
Non cash-item	667,504	608,730
Finance costs	462,104	416,577
Finance income	(91,718)	(93,655)
Share of loss of equity-accounted associates and a joint venture, net of tax	1,850	16,177
	<u>1,338,394</u>	<u>1,280,899</u>
<i>Changes in:</i>		
Net change in current assets	(266,404)	(667,367)
Net change in current liabilities	(72,313)	116,548
Net change in non-current liabilities	119,775	85,297
<b>Cash generated from operations</b>	<u>1,119,452</u>	<u>815,377</u>
Income taxes paid	(108,575)	(116,854)
<b>Net cash from operating activities</b>	<u>1,010,877</u>	<u>698,523</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(395,148)	(561,984)
Acquisition of prepaid lease payments	(3,053)	-
Dividend received from associates	15,976	22,245
(Increase)/decrease in other investments	(380,108)	137,040
Interest received	67,218	59,345
Increase in investment in associates	-	(45,852)
Proceeds from redemption on unquoted loan stocks	4,800	7,600
Redemption of unsecured loan stocks	-	(14,747)
<b>Net cash used in investing activities</b>	<u>(690,315)</u>	<u>(396,353)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to the owners of the Company	(100,000)	(100,000)
Dividends paid to non-controlling interests	(10,000)	(20,000)
Interest paid	(460,289)	(495,793)
Issue of shares	-	1,800,000
Payment of listing expenses	-	(32,648)
Proceeds from borrowings	608,469	583,967
Repayment of borrowings	(521,677)	(1,951,151)
<b>Net cash used in financing activities</b>	<u>(483,497)</u>	<u>(215,625)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(162,935)	86,545
<b>Cash and cash equivalents at beginning of the period</b>	<u>2,853,346</u>	<u>3,574,900</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>2,690,411</u></u>	<u><u>3,661,445</u></u>
<b>Cash and cash equivalents comprise :</b>		
Deposits with licensed banks and other licensed corporations	2,361,989	3,115,588
Cash and bank balances	328,422	545,857
	<u><u>2,690,411</u></u>	<u><u>3,661,445</u></u>

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 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 Group's annual audited financial statements for the financial year ended 31 December 2015 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 2015 was prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2015, except the Group adopted the following MFRSs, Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2016 as follows:

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*

- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 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 2015 was not subject to any qualification.

## **3. Seasonal or cyclical factors**

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

## **4. Unusual items**

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review because of its nature, size and incidence.

## **5. Changes in estimates**

There was no material change in financial estimates that could materially affect the current 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.

## 7. Dividend paid

Since the end of the previous financial year, the Company paid a final single-tier dividend of approximately 2 sen per ordinary share on 5,000,000,000 ordinary shares of RM0.10 each totalling RM100,000,000 in respect of the financial year ended 31 December 2015 on 27 May 2016.

## 8. Segment Reporting

The Group's segmental reporting for the financial period ended 30 June 2016 is as follows:

	Asset Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
<b><u>Business segments</u></b>				
Revenue from external customers	2,853.2	17.4	-	2,870.6
Inter-segment revenue	275.0	530.9	(805.9)	-
<b>Total segment revenue</b>	<b>3,128.2</b>	<b>548.3</b>	<b>(805.9)</b>	<b>2,870.6</b>
<b>Results from operating activities</b>				
Finance income	1,002.8	54.3	(386.2)	670.9
Finance costs				91.7
Share of loss of equity-accounted associates and a joint venture, net of tax				(462.1)
Income tax expense				(1.9)
<b>Profit for the period</b>				<b>(56.0)</b>
				<b>242.6</b>

The Group's segmental reporting for the corresponding period ended 30 June 2015 is as follows:

	Asset Management RM mil	Operation & Maintenance RM mil	Interco Elimination RM mil	Total RM mil
<b><u>Business segments</u></b>				
Revenue from external customers	2,625.9	16.5	-	2,642.4
Inter-segment revenue	171.3	481.8	(653.1)	-
<b>Total segment revenue</b>	<b>2,797.2</b>	<b>498.3</b>	<b>(653.1)</b>	<b>2,642.4</b>
<b>Results from operating activities</b>	<b>857.2</b>	<b>144.6</b>	<b>(329.6)</b>	<b>672.2</b>
Finance income				93.7
Finance costs				(416.6)
Share of profit of equity-accounted associates and a joint venture, net of tax				(16.2)
Income tax expense				(114.4)
<b>Profit for the year</b>				<b>218.7</b>

## 9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 30 June 2016 except for the amounts carried forward pertaining to certain Group's properties that had been revalued in the past.

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

There was no material event subsequent to the end of the current quarter ended 30 June 2016.

## 11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 June 2016.

**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 2015 except for the following bank guarantees issued to third parties:

	<b>30.06.16</b> RM'mil	<b>31.12.15</b> RM'mil
Company and subsidiaries	<u>624.0</u>	<u>464.0</u>

These guarantees mainly consist of guarantees for bid bonds, 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:

	<b>30.06.16</b> RM'mil	<b>31.12.15</b> RM'mil
Property, plant and equipment:		
Authorised and contracted for	9.2	657.4
Authorised but not contracted for	380.9	645.2
	<u>390.1</u>	<u>1,302.6</u>

**14. Related party transactions**

	<b>30.06.16</b> RM'mil	<b>30.06.15</b> RM'mil
Associated company :		
Interest income on unsecured subordinated loan notes	<u>24.5</u>	<u>34.3</u>

**Additional information required by the Bursa Securities Listing Requirements****15. Review of performance****Quarter 2, 2016 (“2Q16”) vs Quarter 2, 2015 (“2Q15”)**

The Group’s revenue for 2Q16 was RM1,526.5 million, which was higher than RM1,295.8 million recorded in 2Q15.

This was mainly due to revenue contribution by Tanjung Bin Energy Sdn. Bhd. pursuant to the commencement of its operation on 21 March 2016.

The Group’s profit before tax for 2Q16 was RM158.9 million, which was higher than RM157.5 million recorded in 2Q15.

This was mainly due to the insurance claim on rotor replacement and lower losses from our associates, offset by higher maintenance costs.

**Year-to-date, 2016 (“YTD16”) vs Year-to-date, 2015 (“YTD15”)**

The Group’s revenue for YTD16 was RM2,870.6 million which was higher as compared to RM2,642.4 million in YTD15.

This was mainly due to the commencement of operation of Tanjung Bin Energy Sdn. Bhd. on 21 March 2016.

The Group’s profit before tax (“PBT”) for YTD16 was RM298.7 million, which was 10% lower than RM333.1 million recorded in YTD15.

This was mainly due to lower contribution from Port Dickson Power Berhad and higher maintenance costs, offset by insurance claim on rotor replacement, lower losses from our associates and also lower finance costs following the redemption of the unrated Junior Sukuk Musharakah.

**16. Variation of results against immediate preceding quarter****Quarter 2, 2016 (“2Q16”) vs Quarter 1, 2016 (“1Q16”)**

The Group recorded a higher profit before taxation of RM158.9 million in the current quarter compared with RM139.8 million in the preceding quarter.

This was mainly due to the insurance claim on rotor replacement and offset by higher maintenance costs.

**17. Current prospects**

The Directors anticipate the challenging environment to persist over the medium term and given this challenging scenario, the Group has embarked on strategic initiatives to continue to be in a position to secure growth opportunities for the future. In addition, the Group has focused on enhancing efficiencies throughout its operations and hence expects the results to remain positive for the financial year ending 31 December 2016.

**18. Profit before tax**

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

	<b>3 months ended 30.06.16 RM'mil</b>	<b>3 months ended 30.06.15 RM'mil</b>	<b>Cumulative 6 months ended 30.06.16 RM'mil</b>	<b>Cumulative 6 months ended 30.06.15 RM'mil</b>
Finance income	(53.4)	(48.3)	(91.7)	(93.7)
Finance cost	272.0	202.2	462.1	416.6
Depreciation	210.7	150.6	383.2	298.5
Amortisation of intangibles	123.0	133.6	249.4	267.1
Impairment loss on trade receivables	-	3.7	0.1	7.0
Net foreign exchange loss	2.2	(28.2)	14.1	0.1

**19. Profit forecast or profit guarantee**

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

**20. Tax expense**

	<b>3 months ended 30.06.16 RM'mil</b>	<b>3 months ended 30.06.15 RM'mil</b>	<b>Cumulative 6 months ended 30.06.16 RM'mil</b>	<b>Cumulative 6 months ended 30.06.15 RM'mil</b>
Current tax expense	77.7	65.7	161.8	100.2
Deferred tax expense	(62.0)	(5.9)	(105.8)	14.2
Total tax expense	<u>15.7</u>	<u>59.8</u>	<u>56.0</u>	<u>114.4</u>

The Group's effective tax rates for the current quarter and financial period were lower than the statutory income tax rate due to the recognition of deferred tax assets on available capital allowances pursuant to commencement of Tanjung Bin Energy power plant's operation.

**21. Status of corporate proposals announced**

There was no corporate proposal announced and not completed as at 30 June 2016.

**22. Borrowings**

	<b>30.06.16 RM'mil</b>	<b>31.12.15 RM'mil</b>
Current		
- Secured	202.3	723.0
- Unsecured	1,290.1	-
	<u>1,492.4</u>	<u>723.0</u>
Non-current		
- Secured	15,708.3	15,268.4
- Unsecured	104.5	1,356.1
	<u>15,812.8</u>	<u>16,624.5</u>
	<u>17,305.2</u>	<u>17,347.5</u>

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

	<b>30.06.16</b>	<b>31.12.15</b>
	<b>RM'mil</b>	<b>RM'mil</b>
Functional currency		
- RM	15,044.0	14,953.3
- AUD	1,940.1	2,042.6
- USD	321.1	351.6
	<u>17,305.2</u>	<u>17,347.5</u>

### 23. Realised and unrealised profit/(losses) disclosure

The retained profits as at 30 June 2016 is analysed as follows:-

	<b>30.06.16</b>	<b>31.12.15</b>
	<b>RM'mil</b>	<b>RM'mil</b>
Total retained earnings of the Company and its subsidiaries		
- realised	8,011.7	7,807.4
- unrealised	(964.3)	(979.2)
	<u>7,047.4</u>	<u>6,828.2</u>
Total share of retained earnings of associates		
- realised	127.2	174.9
- unrealised	(31.3)	(41.1)
	<u>95.9</u>	<u>133.8</u>
Total share of retained earnings of equity accounted joint venture		
- unrealised	(17.6)	(8.7)
Total retained earnings before consolidation adjustments	7,125.7	6,953.3
Less : consolidation adjustments	(6,938.3)	(6,879.6)
Total retained profit	<u>187.4</u>	<u>73.7</u>

## 24. Changes in material litigation

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

- (i) *Proceedings by the Public Prosecutor of Algeria against Almiyah Attilemcania SPA (“AAS”)*

During the financial year 2009, it was discovered that there was a considerable gap between the value of the delivered equipment received as per the invoices declared to the customs and the value of the milestone payments made by AAS, a joint venture of the Group, to the supplier cum contractor (“Invoice Gap”). AAS wrote to the supplier cum contractor requesting for clarifications as they are responsible to resolve tax and customs issues. The Invoice Gap however was not resolved by the supplier cum contractor and the Algerian Customs then initiated investigations.

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

The Court had on 24 December 2014 convicted AAS and had subsequently imposed a penalty of DZD3,929,038,151 (approximately RM148.3 million at the exchange rate of RM1: DZD26.5) (“Penalty”). The Group’s liability arising from the Penalty, in proportion to the Group’s 35.7% effective interest in AAS via TDIC, which may impact the profit of the Group, amounts to DZD1,402,666,620 (approximately RM52.9 million). The court of appeal upheld the decision and the Penalty imposed by the Court on 2 March 2016.

Notwithstanding the decision of the Court, AAS has been advised by its solicitor, Maitre Hadjer Becha, 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 solicitor had filed an appeal to the Supreme Court on 17 June 2016. AAS had filed grounds of appeal on 9 August 2016.

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

The arbitration arose pursuant to an Engineering Procurement and Commissioning (“EPC”) contract dated 10 April 2014 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:

- i) 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; and
- ii) failing MCDC’s ability to provide IWT with an extension of time, IWT is entitled to complete 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 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 revised procedural timetable for the arbitration has been agreed and the main evidential hearing had been conducted from 24 April 2016 – 27 April 2016. The tribunal had further directed parties to submit closing statement by 12 May 2016 and reply to the closing statement by 23 May 2016, if any. The hearing had been completed on 27 April 2016 and parties had complied with the directions given by tribunal on submission of written closing. The tribunal will inform parties once decision and/or award is ready.

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

TBP, a subsidiary of the Malakoff Corporation Berhad, commenced proceeding before the Malaysia High Court on 2 December 2015 against the following three (3) Defendants:

- IHI Corporation Japan (“IHI”)
- ISHI Power Sdn. Bhd. (“ISHI”)
- IHI Power Systems (M) Sdn. Bhd. (“IPSM”)

The total amount claimed is RM782,023,406 (excluding interest and costs) under 8 different heads. TBP is seeking damages from IHI, ISHI and IPSM for breaches of the duty of care, which they individually and/or collectively owed to TBP.

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

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

The Defendants have entered appearances and their respective defenses. They have also each filed an application to strike out the actions against TBP. The matter came up for hearing of the striking out application on 22 July 2016. However, the court adjourned the hearing to 22 August 2016 for further hearing. The main suit is fixed for trial from 13-15 September 2016 and from 26-27 September 2016.

**25. Dividend Payable**

The Directors have recommended on 17 August 2016, a single-tier interim dividend of approximately 3.5 sen per ordinary shares totalling RM175,000,000 in respect of the financial year ending 31 December 2016. The interim dividend will be paid on 4 October 2016 to shareholders registered on the Company's Register of Members at the close of business on 8 September 2016.

No dividend was declared by the Directors for the corresponding quarter ended 30 June 2015.

**26. Earnings per ordinary share**

## Basic Earnings per Ordinary Share

	<b>3 months ended 30.06.16</b>	<b>3 months ended 30.06.15</b>	<b>Cumulative 6 months ended 30.06.16</b>	<b>Cumulative 6 months ended 30.06.15</b>
Profit for the period attributable to owners of the Company (RM' mil)	129.6	86.3	213.7	190.2
Weighted average number of ordinary shares ('mil)	5,000.0	4,533.3	5,000.0	4,055.1
Basic earnings per ordinary share (sen)	2.59	1.90	4.27	4.69

## Diluted Earnings per Ordinary Share

Profit for the period attributable to owners of the Company (RM' mil)	129.6	86.3	213.7	190.2
Weighted average number of ordinary shares ('mil)	5,000.0	4,533.3	5,000.0	4,265.2
Diluted earnings per ordinary share (sen)	2.59	1.90	4.27	4.46

**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 17 August 2016.

By Order of the Board

Yeoh Soo Mei (MAICSA No.7032259)

Nisham@Abu Bakar bin Ahmad (MAICSA No.7043879)

Secretaries

Kuala Lumpur

17 August 2016