

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2016**

	<b>3 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>3 months ended 31.12.2015 RM'000 (Restated)</b>	<b>Cumulative 12 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>Cumulative 12 months ended 31.12.2015 RM'000 (Restated)</b>
Revenue	1,713,549	1,375,997	6,098,420	5,301,987
Cost of sales	<u>(1,200,605)</u>	<u>(989,113)</u>	<u>(4,385,710)</u>	<u>(3,699,687)</u>
<b>Gross profit</b>	512,944	386,884	1,712,710	1,602,300
Other income	13,355	33,246	125,780	71,987
Administrative expenses	(57,671)	(76,834)	(221,741)	(216,344)
Other operating expenses	<u>(51,073)</u>	<u>(40,200)</u>	<u>(177,379)</u>	<u>(149,085)</u>
<b>Results from operating activities</b>	417,555	303,096	1,439,370	1,308,858
Finance income	54,967	51,275	191,252	192,053
Finance costs	<u>(275,418)</u>	<u>(191,826)</u>	<u>(1,012,045)</u>	<u>(794,618)</u>
<b>Net finance costs</b>	(220,451)	(140,551)	(820,793)	(602,565)
Share of (loss)/profit of equity-accounted associates and a joint venture, net of tax	<u>(1,365)</u>	<u>6,567</u>	<u>18,964</u>	<u>(5,102)</u>
<b>Profit before tax</b>	195,739	169,112	637,541	701,191
Income tax expense	(90,376)	(61,844)	(231,499)	(206,144)
<b>Profit for the period/year</b>	<u>105,363</u>	<u>107,268</u>	<u>406,042</u>	<u>495,047</u>
<b>Other comprehensive expense, net of tax</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit liability	(3,404)	(537)	(3,404)	(537)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Cash flow hedge	89,568	(51,741)	15,631	(31,085)
Share of profit/(loss) on hedging reserve of equity-accounted associates	76,924	94,183	54,537	(24,615)
Foreign currency translation differences for foreign operations	<u>(4,904)</u>	<u>(32,274)</u>	<u>3,371</u>	<u>32,049</u>
	161,588	10,168	73,539	(23,651)
<b>Other comprehensive income/(expense) for the period/year</b>	<u>158,184</u>	<u>9,631</u>	<u>70,135</u>	<u>(24,188)</u>
<b>Total comprehensive income for the period/year</b>	<u>263,547</u>	<u>116,899</u>	<u>476,177</u>	<u>470,859</u>

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2016**

	<b>3 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>3 months ended 31.12.2015 RM'000 (Restated)</b>	<b>Cumulative 12 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>Cumulative 12 months ended 31.12.2015 RM'000 (Restated)</b>
<b>Profit attributable to :</b>				
Owners of the Company	90,232	106,172	355,463	452,385
Non-controlling interests	15,131	1,096	50,579	42,662
<b>Profit for the period/year</b>	<u>105,363</u>	<u>107,268</u>	<u>406,042</u>	<u>495,047</u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	248,416	115,803	425,598	428,197
Non-controlling interests	15,131	1,096	50,579	42,662
<b>Total comprehensive income for the period/year</b>	<u>263,547</u>	<u>116,899</u>	<u>476,177</u>	<u>470,859</u>
<b>Earnings per ordinary share (sen)</b>				
Basic	1.80	2.12	7.11	9.98
Diluted	1.80	2.12	7.11	9.76

^ - Based on the Weighted Average Number of Ordinary Shares as disclosed in Note 28.

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 31 December 2016**

	As at 31.12.2016 RM'000 (Unaudited)	As at 31.12.2015 RM'000 (Restated)	As at 1.1.2015 RM'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	14,604,469	15,059,639	14,323,952
Intangible assets	3,721,431	4,206,253	4,704,227
Prepaid lease payments	68,336	69,852	70,331
Investment in associates	1,476,010	1,140,887	1,165,732
Investment in an equity accounted joint venture	-	55,440	57,885
Finance lease receivable	2,264,999	2,197,169	1,990,974
Derivative financial assets	670,796	509,010	99,147
Other receivables	91,902	102,615	114,793
Deferred tax assets	69,568	71,686	72,566
<b>Total non-current assets</b>	<u>22,967,511</u>	<u>23,412,551</u>	<u>22,599,607</u>
<b>Current assets</b>			
Trade and other receivables	2,046,557	1,882,638	1,304,283
Inventories	662,273	575,094	518,434
Current tax assets	176,592	235,039	272,469
Other investments	1,403,801	629,241	321,509
Cash and cash equivalents	3,006,802	2,853,346	3,574,900
<b>Total current assets</b>	<u>7,296,025</u>	<u>6,175,358</u>	<u>5,991,595</u>
<b>Total assets</b>	<u><u>30,263,536</u></u>	<u><u>29,587,909</u></u>	<u><u>28,591,202</u></u>
<b>Equity</b>			
Share capital	500,000	500,000	355,523
Share premium	5,192,215	5,192,215	3,575,837
Reserves	111,162	37,623	61,274
Retained profits/(Accumulated losses)	112,335	35,276	(66,572)
<b>Equity attributable to owners of the Company</b>	<u>5,915,712</u>	<u>5,765,114</u>	<u>3,926,062</u>
Non-controlling interests	215,583	215,004	212,967
<b>Total equity</b>	<u>6,131,295</u>	<u>5,980,118</u>	<u>4,139,029</u>
<b>Non-current liabilities</b>			
Loan and borrowings	15,626,429	16,624,567	17,493,217
Employee benefits	94,828	84,898	74,907
Provision for decommissioning cost	85,625	68,058	-
Deferred income	3,230,403	2,968,256	2,811,196
Deferred tax liabilities	1,776,677	1,979,787	2,013,779
Derivative financial liabilities	153,681	152,497	167,338
<b>Total non-current liabilities</b>	<u>20,967,643</u>	<u>21,878,063</u>	<u>22,560,437</u>

**Condensed Consolidated Statements of Financial Position**  
**As at 31 December 2016**

	<b>As at 31.12.2016 RM'000 (Unaudited)</b>	<b>As at 31.12.2015 RM'000 (Restated)</b>	<b>As at 1.1.2015 RM'000 (Restated)</b>
<b>Current liabilities</b>			
Trade and other payables	1,002,243	824,322	964,646
Provision for decommissioning cost	-	-	10,868
Current tax liabilities	117,378	12,134	23,872
Loans and borrowings	1,910,419	723,041	734,262
Derivative financial liabilities	31,411	29,124	27,704
Deferred income	103,147	141,107	130,384
<b>Total current liabilities</b>	<u>3,164,598</u>	<u>1,729,728</u>	<u>1,891,736</u>
<b>Total liabilities</b>	<u>24,132,241</u>	<u>23,607,791</u>	<u>24,452,173</u>
<b>Total equity and liabilities</b>	<u><u>30,263,536</u></u>	<u><u>29,587,909</u></u>	<u><u>28,591,202</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	1.18	1.15	1.10

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 year ended 31 December 2016**

	/----- Attributable to owners of the Company -----/							Distributable		Non-controlling Interests RM'000	Total Equity RM'000
	/----- Non distributable -----/										
	Share capital		Share premium		Reserves			Retained Profits RM'000	Total RM'000		
Ordinary RM'000	Preference RM'000	Ordinary RM'000	Preference RM'000	Capital Redemption RM'000	Translation RM'000	Hedging RM'000					
At 1 January 2016, restated	500,000	-	5,192,215	-	840	17,105	19,678	35,276	5,765,114	215,004	5,980,118
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(3,404)	(3,404)	-	(3,404)
Foreign currency translation differences for foreign operations	-	-	-	-	-	3,371	-	-	3,371	-	3,371
Cash flow hedge	-	-	-	-	-	-	15,631	-	15,631	-	15,631
Share of profit on hedging reserves attributable to associates	-	-	-	-	-	-	54,537	-	54,537	-	54,537
Other comprehensive income/(expense) for the year	-	-	-	-	-	3,371	70,168	(3,404)	70,135	-	70,135
Profit for the year	-	-	-	-	-	-	-	355,463	355,463	50,579	406,042
Comprehensive income for the year	-	-	-	-	-	3,371	70,168	352,059	425,598	50,579	476,177
Dividends to owners of the Company	-	-	-	-	-	-	-	(275,000)	(275,000)	-	(275,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)
Total distribution to owners	-	-	-	-	-	-	-	(275,000)	(275,000)	(50,000)	(325,000)
At 31 December 2016	500,000	-	5,192,215	-	840	20,476	89,846	112,335	5,915,712	215,583	6,131,295

**Condensed Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2016**

	/----- Attributable to owners of the Company -----/										
	/----- Non distributable -----/							Distributable			
	Share capital		Share premium		Reserves			(Accumulated Losses)/ Retained Profits	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 2015, as previously stated	351,344	4,179	3,162,096	413,741	840	(14,944)	75,378	(28,985)	3,963,649	212,967	4,176,616
Prior year adjustment	-	-	-	-	-	-	-	(37,587)	(37,587)	-	(37,587)
At 1 January 2015, restated	351,344	4,179	3,162,096	413,741	840	(14,944)	75,378	(66,572)	3,926,062	212,967	4,139,029
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(537)	(537)	-	(537)
Foreign currency translation differences for foreign operations	-	-	-	-	-	32,049	-	-	32,049	-	32,049
Cash flow hedge	-	-	-	-	-	-	(31,085)	-	(31,085)	-	(31,085)
Share of loss on hedging reserves attributable to associates	-	-	-	-	-	-	(24,615)	-	(24,615)	-	(24,615)
Other comprehensive income/(expense) for the year	-	-	-	-	-	32,049	(55,700)	(537)	(24,188)	-	(24,188)
Profit for the year, restated	-	-	-	-	-	-	-	452,385	452,385	42,662	495,047
Comprehensive income/(expense) for the year	-	-	-	-	-	32,049	(55,700)	451,848	428,197	42,662	470,859
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	-	-	(39,145)	-	-	-	-	-	(39,145)	-	(39,145)
Dividends to owners of the Company	-	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(40,625)	(40,625)
Total transactions with owners	148,656	(4,179)	2,030,119	(413,741)	-	-	-	(350,000)	1,410,855	(40,625)	1,370,230
At 31 December 2015, restated	500,000	-	5,192,215	-	840	17,105	19,678	35,276	5,765,114	215,004	5,980,118

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 statements.

**Condensed Consolidated Statements of Cash Flows**  
**For the year ended 31 December 2016**

	<b>12 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>12 months ended 31.12.2015 RM'000 (Restated)</b>
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	637,541	701,191
<b>Adjustments for :</b>		
Non cash-item	1,429,390	1,264,619
Finance costs	1,012,045	794,618
Finance income	(191,252)	(192,053)
Share of (profit)/loss of equity-accounted associates and a joint venture, net of tax	(18,964)	5,102
<b>Operating profit before changes in working capital</b>	<u>2,868,760</u>	<u>2,573,477</u>
<i>Changes in:</i>		
Net change in current assets	(946,484)	(768,312)
Net change in current liabilities	452,096	74,141
Net change in non-current liabilities	241,754	235,841
<b>Cash generated from operations</b>	<u>2,616,126</u>	<u>2,115,147</u>
Income taxes paid	(251,548)	(215,869)
<b>Net cash from operating activities</b>	<u>2,364,578</u>	<u>1,899,278</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(468,990)	(1,430,361)
Acquisition of prepaid lease payments	(3,053)	(3,897)
Dividend received from associates	29,237	32,479
Increase in other investments	(774,560)	(307,732)
Interest received	144,275	122,427
Increase in investment in associates	-	(45,852)
Proceeds from redemption on unsecured loan stocks	6,000	15,200
Proceeds from disposal of property, plant and equipment	151	187
Redemption of unsecured loan stocks	(12,000)	(21,747)
<b>Net cash used in investing activities</b>	<u>(1,078,940)</u>	<u>(1,639,296)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to the owners of the Company	(275,000)	(350,000)
Dividends paid to non-controlling interests	(50,000)	(40,625)
Interest paid	(734,586)	(766,728)
Proceeds from issue of shares	-	1,800,000
Payment of listing expenses	-	(39,145)
Proceeds from borrowings	608,469	977,885
Repayment of borrowings	(700,499)	(2,584,394)
Redemption of preference shares	19,434	21,471
<b>Net cash used in financing activities</b>	<u>(1,132,182)</u>	<u>(981,536)</u>

**Condensed Consolidated Statements of Cash Flows**  
**For the year ended 31 December 2016**

	<b>12 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>12 months ended 31.12.2015 RM'000 (Restated)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	153,456	(721,554)
<b>Cash and cash equivalents at beginning of the year</b>	2,853,346	3,574,900
<b>Cash and cash equivalents at end of the year</b>	<u><u>3,006,802</u></u>	<u><u>2,853,346</u></u>
<b>Cash and cash equivalents comprise :</b>		
Deposits with licensed banks and other licensed corporations	2,646,098	2,526,595
Cash and bank balances	360,704	326,751
	<u><u>3,006,802</u></u>	<u><u>2,853,346</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 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. Prior year adjustments

During the current quarter ended 31 December 2016, Lekir Bulk Terminal Sdn. Bhd. (“LBT”), a 20% owned associate of Tuah Utama Sdn. Bhd., which in turn is a wholly owned subsidiary of the Company, has reassessed the recognition of facility payment charged to its customer and concluded that there had been over-recognition of revenue in the previous period. As a result thereof, LBT has restated its deferred income, deferred tax liabilities/assets and retained earnings balances in prior year, retrospectively.

The effects of prior year adjustments are as follows:

- a) Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2015

	<u>As restated</u>	<u>As previously stated</u>
	RM'000	RM'000
Share of loss of equity-accounted associates	(5,102)	(4,253)
Profit before tax	701,191	702,040
Profit for the year	495,047	495,896
Profit attributable to owners of the		
Company	452,385	453,234
Total comprehensive income attributable to		
owners of the Company	428,197	429,046

## b) Statement of financial position as at 31 December 2015

	<u>As restated</u>	<u>As previously stated</u>
	RM'000	RM'000
Investment in associates	1,140,887	1,179,323
Retained profits	(35,276)	(73,712)

## c) Statement of financial position as at 1 January 2015

	<u>As restated</u>	<u>As previously stated</u>
	RM'000	RM'000
Investment in associates	1,165,732	1,203,319
Accumulated losses	66,572	28,985

**3. Comparative figures**

Deferred tax assets and deferred tax liabilities has been reclassified to conform with the current financial year presentation. The effect of reclassification are disclosed below:

## a) Statement of financial position as at 31 December 2015

	<u>As restated</u>	<u>As previously stated</u>
	RM'000	RM'000
Deferred tax assets	71,686	817,933
Deferred tax liabilities	(1,979,787)	(2,726,034)

## b) Statement of financial position as at 1 January 2015

	<u>As restated</u>	<u>As previously stated</u>
	RM'000	RM'000
Deferred tax assets	72,566	779,849
Deferred tax liabilities	(2,013,779)	(2,721,062)

**4. 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.

**5. Seasonal or cyclical factors**

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

**6. Unusual items**

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

**7. Changes in estimates**

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

**8. Debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for the repayment of Malakoff Power Berhad's Sukuk Murabahah of RM100.0 million on 16 December 2016.

**9. Dividend paid**

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

- i. A final single-tier dividend of 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.
- ii. A single-tier interim dividend of 3.5 sen per ordinary share on 5,000,000,000 ordinary shares of RM0.10 each totalling RM175,000,000 in respect of the financial year ending 31 December 2016 on 4 October 2016.

## 10. Segment Reporting

The Group's segmental reporting for the financial year ended 31 December 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	6,062.0	36.4	-	6,098.4
Inter-segment revenue	963.0	1,058.8	(2,021.8)	-
<b>Total segment revenue</b>	<b>7,025.0</b>	<b>1,095.2</b>	<b>(2,021.8)</b>	<b>6,098.4</b>
<b>Results from operating activities</b>				
Finance income	2,451.0	302.9	(1,314.5)	1,439.4
Finance costs				191.2
Share of profit of equity-accounted associates and a joint venture, net of tax				(1,012.0)
Income tax expense				18.9
<b>Profit for the year</b>				<b>(231.5)</b>
				<b>406.0</b>

The Group's segmental reporting for the corresponding year ended 31 December 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	5,266.8	35.2	-	5,302.0
Inter-segment revenue	444.1	1,041.2	(1,485.3)	-
<b>Total segment revenue</b>	<b>5,710.9</b>	<b>1,076.4</b>	<b>(1,485.3)</b>	<b>5,302.0</b>
<b>Results from operating activities</b>				
Finance income	1,848.1	177.4	(716.7)	1,308.8
Finance costs				192.0
Share of loss of equity-accounted associates and a joint venture, net of tax, restated				(794.6)
Income tax expense				(5.1)
<b>Profit for the year, restated</b>				<b>(206.1)</b>
				<b>495.0</b>

**11. Property, plant and equipment**

There was no valuation of property, plant and equipment during the current quarter ended 31 December 2016 except for the amounts carried forward pertaining to certain Group's properties that had been revalued in the past.

**12. Material events subsequent to the end of current interim period**

There was no material event subsequent to the end of the current quarter ended 31 December 2016.

**13. Changes in composition of the Group**

There was no change in the composition of the Group during the current quarter ended 31 December 2016.

**14. 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>31.12.16</b>	<b>31.12.15</b>
	RM' mil	RM' mil
Company and subsidiaries	<u>519.6</u>	<u>464.0</u>

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

**15. Capital commitments**

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

	<b>31.12.16</b> RM'mil	<b>31.12.15</b> RM'mil
Property, plant and equipment:		
Authorised and contracted for	-	657.4
Authorised but not contracted for	559.1	645.2
	<u>559.1</u>	<u>1,302.6</u>

**16. Related party transactions**

	<b>31.12.16</b> RM'mil	<b>31.12.15</b> RM'mil
Associated company :		
Interest income on unsecured subordinated loan notes	<u>47.0</u>	<u>69.6</u>

**Additional information required by the Bursa Securities Listing Requirements****17. Review of performance****Quarter 4, 2016 (“4Q16”) vs Quarter 4, 2015 (“4Q15”)**

The Group’s revenue for 4Q16 was RM1,713.5 million, which was higher than RM1,376.0 million recorded in 4Q15.

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 4Q16 was RM195.7 million, which was higher than RM169.1 million recorded in 4Q15.

This was mainly due to higher fuel margin offset by additional depreciation due to the change in estimate of residual values of gas-fired power plants and lower contribution from Port Dickson Power Berhad due to lower tariff of the extended PPA.

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

The Group’s revenue for YTD16 was RM6,098.4 million which was higher as compared to RM5,302.0 million in YTD15.

This was mainly due to the 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 YTD16 was RM637.5 million, which was 9% lower than RM701.2 million recorded in YTD15.

This was mainly due to additional depreciation due to the change in estimate of residual values of gas-fired power plants, lower contribution from Port Dickson Power Berhad due to lower tariff of the extended PPA, and higher maintenance costs, offset by higher contribution from our associates, insurance claim on rotor replacement and lower finance costs following the redemption of the unrated Junior Sukuk Musharakah.

## **18. Variation of results against immediate preceding quarter**

### **Quarter 4, 2016 ("4Q16") vs Quarter 3, 2016 ("3Q16")**

The Group recorded a higher profit before taxation of RM195.7 million in the current quarter compared with RM143.1 million in the preceding quarter.

This was mainly due to lower additional depreciation due to the change in estimate of residual values of gas-fired power plants in the current quarter offset by lower contribution from our associates.

## **19. Current prospects**

The results for the financial year ending 31 December 2017 will be affected by the expiry of the existing Segari Energy Ventures Sdn. Bhd. ("SEV") Power Purchase Agreement ("PPA") in June 2017. The new SEV PPA, which will take effect upon expiration of the existing SEV PPA stipulates lower levelised tariffs as compared to the existing SEV PPA.

Notwithstanding the above, the Group continues to implement strategic initiatives to secure growth opportunities for the future. In addition, the Group is focusing on enhancing efficiencies throughout its operations and hence expects the results to be sustainably positive for the financial year ending 31 December 2017.

**20. Profit before tax**

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

	<b>3 months ended 31.12.16 RM'mil</b>	<b>3 months ended 31.12.15 RM'mil</b>	<b>Cumulative 12 months ended 31.12.16 RM'mil</b>	<b>Cumulative 12 months ended 31.12.15 RM'mil</b>
Finance income	(55.0)	(51.3)	(191.2)	(192.0)
Finance cost	275.4	191.8	1,012.0	794.6
Depreciation	237.0	176.3	900.8	625.7
Amortisation of intangibles	123.0	133.6	495.4	534.2
Impairment of goodwill	-	7.4	-	7.4
Impairment loss on trade receivables	-	(0.7)	-	7.0
Net foreign exchange (gain)/loss	(1.2)	4.5	13.0	(21.2)

**21. Profit forecast or profit guarantee**

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

**22. Tax expense**

	<b>3 months ended 31.12.16 RM'mil</b>	<b>3 months ended 31.12.15 RM'mil</b>	<b>Cumulative 12 months ended 31.12.16 RM'mil</b>	<b>Cumulative 12 months ended 31.12.15 RM'mil</b>
Current tax expense	124.8	64.5	429.6	246.7
Deferred tax expense	(34.4)	(2.7)	(198.1)	(40.6)
Total tax expense	<u>90.4</u>	<u>61.8</u>	<u>231.5</u>	<u>206.1</u>

The Group's effective tax rates for the current quarter and financial year were higher than the statutory income tax rate due to tax charge at Tanjung Bin Energy Issuer pursuant to the completion of the power plant and certain expenses which were not deductible for tax purposes.

**23. Status of corporate proposals announced**

There was no corporate proposal announced and not completed as at 31 December 2016.

**24. Borrowings**

	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'mil</b>	<b>RM'mil</b>
Current		
- Secured	620.3	723.0
- Unsecured	1,290.1	-
	<u>1,910.4</u>	<u>723.0</u>
Non-current		
- Secured	15,533.9	15,268.4
- Unsecured	92.5	1,356.1
	<u>15,626.4</u>	<u>16,624.5</u>
	<u>17,536.8</u>	<u>17,347.5</u>

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

	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'mil</b>	<b>RM'mil</b>
Functional currency		
- RM	15,108.7	14,953.3
- AUD	2,080.9	2,042.6
- USD	347.2	351.6
	<u>17,536.8</u>	<u>17,347.5</u>

**25. Realised and unrealised profit disclosure**

The retained profits as at 31 December 2016 is analysed as follows:-

	<b>31.12.16</b> <b>RM'mil</b>	<b>31.12.15</b> <b>RM'mil</b> <b>Restated</b>
Total retained earnings of the Company and its subsidiaries		
- realised	8,093.1	7,807.4
- unrealised	<u>(901.8)</u>	<u>(979.2)</u>
	<u>7,191.3</u>	<u>6,828.2</u>
Total share of retained earnings of associates		
- realised	215.1	136.5
- unrealised	<u>(31.7)</u>	<u>(41.1)</u>
	<u>183.4</u>	<u>95.4</u>
Total share of retained earnings of equity accounted joint venture		
- unrealised	<u>(64.1)</u>	<u>(8.7)</u>
Total retained earnings before consolidation adjustments	7,310.6	6,914.9
Less : consolidation adjustments	<u>(7,198.3)</u>	<u>(6,879.6)</u>
Total retained profit	<u><u>112.3</u></u>	<u><u>35.3</u></u>

**26. 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")*

On 4 September 2014, a joint venture of the Group, 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.

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 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 and thereafter a charge was brought against AAS regarding foreign exchange regulation offences and the flow of capital to and from overseas.

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 but the Supreme Court has not fixed any hearing date in respect of the appeal.

The Group has recognised a provision amounting to RM36.1 million in its profit or loss during the financial year. Notwithstanding this, AAS will continue with the appeal until the exhaustion of all rights.

(ii) *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 include 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 whereby the court had dismissed Defendants’ application to strike out the suit filed by TBP. The main suit is now fixed for full trial commencing from 5 December 2016.

TBP proceeded with the oral opening submission on 5 December 2016. However, the judge invited parties to consider whether, due to the voluminous documents and technical evidence relating to nature of the suit and/or claims, it will be in the best interest of parties for resolution before a technically qualified arbitrator. The judge fixed 19 January 2017 for case management whereby parties had agreed in principle to pursue via a court-mandated arbitration in respect of the liability issues. The main suit is now fixed for final case management on 21 February 2017 for parties to finalise the agreed terms of the court-mandated arbitration.

## **27. Dividend Payable**

The Directors recommend the payment of a final single-tier dividend of 3.5 sen per ordinary share on 5,000,000,000 ordinary shares totalling RM175,000,000 in respect of the financial year ended 31 December 2016, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

In the corresponding quarter ended 31 December 2015, 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 ending 31 December 2015 was paid on 27 May 2016.

**28. Earnings per ordinary share**

	<b>3 months ended 31.12.16</b>	<b>3 months ended 31.12.15</b>	<b>Cumulative 12 months ended 31.12.16</b>	<b>Cumulative 12 months ended 31.12.15</b>
<b>Basic Earnings per Ordinary Share</b>				
Profit for the period/year attributable to owners of the Company (RM'mil)	90.2	106.2	355.5	452.4
Weighted average number of ordinary shares ('mil)	5,000.0	5,000.0	5,000.0	4,531.4
Basic earnings per ordinary share (sen)	1.80	2.12	7.11	9.98
<b>Diluted Earnings per Ordinary Share</b>				
Profit for the period/year attributable to owners of the Company (RM'mil)	90.2	106.2	355.5	452.4
Weighted average number of ordinary shares ('mil)	5,000.0	5,000.0	5,000.0	4,635.6
Diluted earnings per ordinary share (sen)	1.80	2.12	7.11	9.76

**29. 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 20 February 2017.

By Order of the Board

Yeoh Soo Mei (MAICSA No.7032259)

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

Secretaries

Kuala Lumpur

20 February 2017