

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the period ended 30 June 2017

	3 months ended 30.6.2017 RM'000 (Unaudited)	3 months ended 30.6.2016 RM'000 (Unaudited)	Cumulative 6 months ended 30.6.2017 RM'000 (Unaudited)	Cumulative 6 months ended 30.6.2016 RM'000 (Unaudited)
Revenue	1,734,611	1,526,482	3,515,634	2,870,591
Cost of sales	(1,315,212)	(1,094,708)	(2,625,693)	(2,072,350)
Gross profit	419,399	431,774	889,941	798,241
Other income	5,997	73,103	13,603	93,181
Administrative expenses	(42,122)	(67,016)	(111,604)	(126,245)
Other operating expenses	(45,205)	(52,750)	(91,047)	(94,287)
Results from operating activities	338,069	385,111	700,893	670,890
Finance income	53,068	53,408	103,784	91,718
Finance costs	(266,401)	(271,967)	(537,981)	(462,104)
Net finance costs	(213,333)	(218,559)	(434,197)	(370,386)
Share of profit/(loss) of equity-accounted associates and a joint venture, net of tax	28,328	(7,690)	61,045	(1,850)
Profit before tax	153,064	158,862	327,741	298,654
Income tax expense	(36,216)	(15,739)	(95,477)	(56,039)
Profit for the period	116,848	143,123	232,264	242,615
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(50,628)	(51,800)	(48,163)	(83,472)
Share of profit/(loss) on hedging reserve of equity-accounted associates	18,981	(16,928)	28,967	(37,466)
Foreign currency translation differences for foreign operations	(917)	14,628	(6,454)	545
Other comprehensive expense for the period	(32,564)	(54,100)	(25,650)	(120,393)
Total comprehensive income for the period	84,284	89,023	206,614	122,222

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Profit attributable to :				
Owners of the Company	103,266	129,628	202,052	213,726
Non-controlling interests	13,582	13,495	30,212	28,889
Profit for the period	<u>116,848</u>	<u>143,123</u>	<u>232,264</u>	<u>242,615</u>
Total comprehensive income attributable to :				
Owners of the Company	70,702	75,528	176,402	93,333
Non-controlling interests	13,582	13,495	30,212	28,889
Total comprehensive income for the period	<u>84,284</u>	<u>89,023</u>	<u>206,614</u>	<u>122,222</u>
Earnings per ordinary share (sen)				
Basic/Diluted	2.07	2.59	4.04	4.27

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 30 June 2017

	As at 30.6.2017 RM'000 (Unaudited)	As at 31.12.2016 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	14,230,617	14,604,469
Intangible assets	3,482,174	3,721,431
Prepaid lease payments	66,025	68,336
Investment in associates	1,520,830	1,476,010
Investment in a joint venture	-	-
Finance lease receivable	2,306,515	2,264,999
Derivative financial assets	524,594	670,796
Other receivables	86,464	91,902
Deferred tax assets	81,954	69,568
Total non-current assets	<u>22,299,173</u>	<u>22,967,511</u>
Current assets		
Trade and other receivables	2,114,647	2,046,557
Inventories	783,300	662,273
Current tax assets	142,002	176,592
Other investments	2,180,039	1,403,801
Cash and cash equivalents	2,264,115	3,006,802
Total current assets	<u>7,484,103</u>	<u>7,296,025</u>
Total assets	<u>29,783,276</u>	<u>30,263,536</u>
Equity		
Share capital	500,000	500,000
Share premium	5,192,215	5,192,215
Reserves	85,512	111,162
Retained profits	139,387	112,335
Equity attributable to owners of the Company	<u>5,917,114</u>	<u>5,915,712</u>
Perpetual sukuk	800,000	-
Non-controlling interests	215,795	215,583
Total equity	<u>6,932,909</u>	<u>6,131,295</u>
Non-current liabilities		
Loan and borrowings	14,741,411	15,626,429
Employee benefits	98,452	94,828
Provision for decommissioning cost	88,719	85,625
Deferred income	3,391,201	3,230,403
Deferred tax liabilities	1,641,447	1,776,677
Derivative financial liabilities	135,006	153,681
Total non-current liabilities	<u>20,096,236</u>	<u>20,967,643</u>

Condensed Consolidated Statements of Financial Position
As at 30 June 2017

	As at 30.6.2017 RM'000 (Unaudited)	As at 31.12.2016 RM'000 (Audited)
Current liabilities		
Trade and other payables	1,153,859	1,002,243
Current tax liabilities	159,719	117,378
Loans and borrowings	1,350,966	1,910,419
Deferred income	59,198	103,147
Derivative financial liabilities	30,389	31,411
Total current liabilities	<u>2,754,131</u>	<u>3,164,598</u>
Total liabilities	<u>22,850,367</u>	<u>24,132,241</u>
Total equity and liabilities	<u><u>29,783,276</u></u>	<u><u>30,263,536</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.18	1.18

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2017

	/----- Attributable to owners of the Company -----/									
	/----- Non distributable -----/					Distributable				
	Share Capital RM'000	Share Premium RM'000	Reserves			Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Capital Redemption RM'000			Translation RM'000	Hedging RM'000						
At 1 January 2017	500,000	5,192,215	840	20,476	89,846	112,335	5,915,712	-	215,583	6,131,295
Foreign currency translation differences for foreign operations	-	-	-	(6,454)	-	-	(6,454)	-	-	(6,454)
Cash flow hedge	-	-	-	-	(48,163)	-	(48,163)	-	-	(48,163)
Share of profit on hedging reserves attributable to associates	-	-	-	-	28,967	-	28,967	-	-	28,967
Other comprehensive expense for the period	-	-	-	(6,454)	(19,196)	-	(25,650)	-	-	(25,650)
Profit for the period	-	-	-	-	-	202,052	202,052	-	30,212	232,264
Comprehensive (expense)/income for the period	-	-	-	(6,454)	(19,196)	202,052	176,402	-	30,212	206,614
Issuance of perpetual sukuk	-	-	-	-	-	-	-	800,000	-	800,000
Dividends to owners of the Company	-	-	-	-	-	(175,000)	(175,000)	-	-	(175,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Total distribution to owners	-	-	-	-	-	(175,000)	(175,000)	-	(30,000)	(205,000)
At 30 June 2017	500,000	5,192,215	840	14,022	70,650	139,387	5,917,114	800,000	215,795	6,932,909

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2017

	/----- Attributable to owners of the Company -----/									
	/----- Non distributable -----/					Distributable				
	Share Capital RM'000	Share Premium RM'000	Reserves			Retained Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity 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
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 income/(expense) for the period	-	-	-	545	(120,938)	-	(120,393)	-	-	(120,393)
Profit for the period	-	-	-	-	-	213,726	213,726	-	28,889	242,615
Comprehensive income/(expense) 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, as restated	500,000	5,192,215	840	17,650	(101,260)	149,002	5,758,447	-	233,893	5,992,340

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the period ended 30 June 2017

	6 months ended 30.6.2017 RM'000 (Unaudited)	6 months ended 30.6.2016 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	327,741	298,654
Adjustments for :		
Non cash-item	717,938	667,504
Finance costs	537,981	462,104
Finance income	(103,784)	(91,718)
Share of (profit)/loss of equity-accounted associates and a joint venture, net of tax	(61,045)	1,850
Operating profit before changes in working capital	<u>1,418,831</u>	<u>1,338,394</u>
<i>Changes in:</i>		
Net change in current assets	(228,904)	(266,404)
Net change in current liabilities	173,342	(72,313)
Net change in non-current liabilities	119,943	119,775
Cash generated from operations	<u>1,483,212</u>	<u>1,119,452</u>
Income taxes paid	(157,431)	(108,575)
Net cash from operating activities	<u>1,325,781</u>	<u>1,010,877</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(86,523)	(395,148)
Acquisition of prepaid lease payments	-	(3,053)
Dividend received from associates	12,838	15,976
Increase in other investments	(776,238)	(380,108)
Interest received	82,095	67,218
Proceeds from redemption on unsecured loan stocks	6,400	4,800
Net cash used in investing activities	<u>(761,428)</u>	<u>(690,315)</u>
Cash flows from financing activities		
Dividends paid to the owners of the Company	(175,000)	(100,000)
Dividends paid to non-controlling interests	(30,000)	(10,000)
Interest paid	(467,643)	(460,289)
Proceeds from issuance of perpetual sukuk	800,000	-
Proceeds from borrowings	346,160	608,469
Repayment of borrowings	(1,784,557)	(521,677)
Redemption of preference shares	4,000	-
Net cash used in financing activities	<u>(1,307,040)</u>	<u>(483,497)</u>

Condensed Consolidated Statements of Cash Flows
For the period ended 30 June 2017

	6 months ended 30.6.2017 RM'000 (Unaudited)	6 months ended 30.6.2016 RM'000 (Unaudited)
Net decrease in cash and cash equivalents	(742,687)	(162,935)
Cash and cash equivalents at beginning of the period	3,006,802	2,853,346
Cash and cash equivalents at end of the period	<u><u>2,264,115</u></u>	<u><u>2,690,411</u></u>
Cash and cash equivalents comprise :		
Deposits with licensed banks and other licensed corporations	1,822,330	2,361,989
Cash and bank balances	441,785	328,422
	<u><u>2,264,115</u></u>	<u><u>2,690,411</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 2016 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 2016 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 2016 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 2016, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2017 as follows:

- Amendments to MFRS 12, Disclosure of interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative
- Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

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 2016 was not subject to any qualification.

3. Seasonal or cyclical factors

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

4. Unusual items

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

5. Changes in estimates

There was no material change in financial estimates 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 previous financial year, the Company paid a final single-tier dividend of 3.5 sen per ordinary share totalling RM175,000,000 in respect of the financial year ended 31 December 2016 on 23 May 2017.

8. Segment reporting

During the current period, the Chief Executive Officer has reviewed the asset management and the operation & maintenance segments and is of the view that they are interdependent and form a single strategic business unit. As such, no segmental reporting in relation to these two segments was prepared for this quarter.

Nevertheless, as the Group continues to explore potential growth opportunities to expand its presence worldwide, internal management report is now focused on contribution from local and foreign segments. As a result, the Group's segmental reporting for the current period was prepared on this basis.

The Group's segmental reporting for the financial period ended 30 June 2017 is as follows:

	Local RM'000	Foreign RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	3,414,787	100,847	-	3,515,634
Inter-segment revenue	891,606	46,640	(938,246)	-
Total segment revenue	4,306,393	147,487	(938,246)	3,515,634
Profit after tax	532,295	65,887	(365,918)	232,264

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

	Local RM'000	Foreign RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	2,770,659	99,932	-	2,870,591
Inter-segment revenue	747,059	58,851	(805,910)	-
Total segment revenue	3,517,718	158,783	(805,910)	2,870,591
Profit after tax	441,549	30,826	(229,760)	242,615

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 30 June 2017 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 2017.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 June 2017.

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 2016 except for the following bank guarantees issued to third parties:

	30.06.17	31.12.16
	RM'mil	RM'mil
Company and subsidiaries	<u>675.3</u>	<u>519.6</u>

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

13. Capital commitments

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

	30.06.17 RM'mil	31.12.16 RM'mil
Property, plant and equipment:		
Authorised but not contracted for	<u>438.0</u>	<u>559.1</u>

14. Related party transactions

	30.06.17 RM'mil	30.06.16 RM'mil
Associated company :		
Interest income on unsecured subordinated loan notes	<u>21.7</u>	<u>24.5</u>

Additional information required by the Bursa Securities Listing Requirements**15. Review of performance****Quarter 2, 2017 (“2Q17”) vs Quarter 2, 2016 (“2Q16”)**

The Group’s revenue for 2Q17 was RM1,734.6 million, which was higher than RM1,526.5 million recorded in 2Q16.

This was mainly due to higher applicable coal price and higher capacity factor registered by Tanjung Bin Power’s power plant, which was partly offset by lower revenue from Tanjung Bin Energy’s power plant due to outages during the current quarter.

The Group’s profit before tax for 2Q17 was RM153.1 million, which was lower than RM158.9 million recorded in 2Q16.

This was mainly due to lower contributions from Tanjung Bin Energy’s power plant during the current quarter and insurance claim on rotor replacement which was recorded in the corresponding quarter. These were partly offset by higher contribution from our associates and lower maintenance costs during the current quarter.

Year-to-date, 2017 (“YTD17”) vs Year-to-date, 2016 (“YTD16”)

The Group’s revenue for YTD17 was RM3,515.6 million which was higher as compared to RM2,870.6 million in YTD16.

This was mainly due to higher applicable coal price and higher capacity factor registered by Tanjung Bin Power’s power plant and six (6) months revenue contribution by Tanjung Bin Energy’s power plant for the YTD17 as compared to three (3) months revenue for the YTD16.

The Group’s profit before tax for YTD17 was RM327.7 million, which was 10% higher than RM298.7 million recorded in YTD16.

This was mainly due to higher fuel margin and higher contribution from our associates. These were offset by lower contribution from Tanjung Bin Energy's power plant in YTD17 and insurance claim on rotor replacement which was recorded in the corresponding period.

16. Variation of results against immediate preceding quarter

Quarter 2, 2017 ("2Q17") vs Quarter 1, 2017 ("1Q17")

The Group recorded a lower profit before taxation of RM153.1 million in the current quarter compared to RM174.7 million in the preceding quarter.

This was mainly due to lower contribution from Tanjung Bin Energy's power plant and lower fuel margin. These were offset by lower maintenance costs in the current quarter.

17. Current prospects

The results for the financial year ending 31 December 2017 will be affected by the lower capacity payment in the new revised Segari Energy Ventures Sdn Bhd's Power Purchase Agreement commencing 1 July 2017.

The Group will continue with its strategic initiatives to secure growth opportunities in the power sector as well as to broaden its earnings base in complementary business sectors for the future. The Group is also focusing on enhancing efficiencies throughout its operations and hence expects the results to remain positive for the financial year ending 31 December 2017.

18. Profit before tax

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

	3 months ended 30.06.17 RM'mil	3 months ended 30.06.16 RM'mil	Cumulative 6 months ended 30.06.17 RM'mil	Cumulative 6 months ended 30.06.16 RM'mil
Finance income	(53.1)	(53.4)	(103.8)	(91.7)
Finance cost	266.4	272.0	538.0	462.1
Depreciation	230.1	210.7	460.1	383.2
Amortisation of intangibles	122.3	123.0	244.5	249.4
Impairment loss on trade receivables	-	-	-	0.1
Net foreign exchange loss	0.5	2.2	0.7	14.1

19. Profit forecast or profit guarantee

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

20. Tax expense

	3 months ended 30.06.17 RM'mil	3 months ended 30.06.16 RM'mil	Cumulative 6 months ended 30.06.17 RM'mil	Cumulative 6 months ended 30.06.16 RM'mil
Current tax expense	100.2	77.7	229.8	161.8
Deferred tax expense	(64.0)	(62.0)	(134.3)	(105.8)
Total tax expense	<u>36.2</u>	<u>15.7</u>	<u>95.5</u>	<u>56.0</u>

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

21. Status of corporate proposals announced

There was no corporate proposal announced and not completed as at 30 June 2017.

22. Borrowings

	30.06.17	31.12.16
	RM'mil	RM'mil
Current		
- Secured	1,351.0	620.3
- Unsecured	-	1,290.1
	<u>1,351.0</u>	<u>1,910.4</u>
Non-current		
- Secured	14,648.9	15,533.9
- Unsecured	92.5	92.5
	<u>14,741.4</u>	<u>15,626.4</u>
	<u>16,092.4</u>	<u>17,536.8</u>

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

	30.06.17	31.12.16
	RM'mil	RM'mil
Functional currency		
- RM	13,644.0	15,108.7
- AUD	2,104.9	2,080.9
- USD	343.5	347.2
	<u>16,092.4</u>	<u>17,536.8</u>

23. Realised and unrealised profit disclosure

The retained profits as at 30 June 2017 is analysed as follows:-

	30.06.17	31.12.16
	RM'mil	RM'mil
Total retained earnings of the Company and its subsidiaries		
- realised	8,114.0	8,074.4
- unrealised	(785.4)	(883.1)
	<u>7,328.6</u>	<u>7,191.3</u>
- realised	192.9	215.1
- unrealised	(57.9)	(31.7)
	<u>135.0</u>	<u>183.4</u>
Total share of retained earnings of equity accounted joint venture		
- realised	<u>(64.1)</u>	<u>(64.1)</u>
Total retained earnings before consolidation adjustments	7,399.5	7,310.6
Less : consolidation adjustments	<u>(7,260.1)</u>	<u>(7,198.3)</u>
Total retained profit	<u>139.4</u>	<u>112.3</u>

24. Changes in material litigation

(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 previous 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 court had granted order on 16 March 2017 for the suit to be referred to court-mandated arbitration. The court mandated arbitration is fixed for hearing from 16 August 2017 until 20 August 2017. Court had also fixed 6 September 2017 for further case management to monitor the progress of the court mandated arbitration.

On 4 August 2017, TBP and IHI had entered into settlement agreement with the Defendant and with Sumitomo Corporation, Zelan Holdings (M) Sdn Bhd and Sumi-Power Malaysia Sdn Bhd in the arbitration proceeding referred to in item (iii) below (“Arbitration Proceeding”) to resolve and settle the disputes between the all parties in accordance with the terms and conditions of the settlement agreement.

As a result of the aforementioned agreement, a consent judgment will be entered in the Litigation Action on a strictly without admission of liability basis and TBP as the claimant, will withdraw and discontinue the Litigation Action and the Arbitration Proceeding respectively on the terms and conditions set out in the aforementioned agreement.

- (iii) *Arbitration proceeding against Sumitomo Corporation, Zelan Holdings (M) Sdn. Bhd. (“Zelan Holdings”) and Sumi-Power Malaysia Sdn. Bhd.*

Tanjung Bin Power Sdn. Bhd. (“TBP”) had on 23 November 2016, issued a notice of arbitration (“Arbitration”) against Sumitomo Corporation, Zelan Holdings (M) Sdn. Bhd. (“Zelan Holdings”) and Sumi-Power Malaysia Sdn. Bhd. (collectively referred to as “EPCC Contractors”).

TBP is and was at all material times, the owner of the Tanjung Bin Power plant, a power station consisting of three 700 MW coal-fired plants (“Plant”). The EPCC Contractors were engaged to provide TBP with and TBP relied on the EPCC Contractors for the engineering, design, procurement, construction, commissioning and

related services in respect of amongst others, the Plant and its related facilities (“EPCC Contract”).

The Arbitration is in respect of loss and damage suffered by TBP as a consequence of the EPCC Contractors’ and/or their agent(s)’ negligence and/or breaches of duties and/or obligations under the EPCC Contract. At present, the loss and damage suffered by TBP is estimated to be approximately RM785 million.

TBP as the claimant, will withdraw and discontinue the Arbitration Proceeding upon entry of the consent judgment and as per the settlement agreement disclosed in item (ii) above.

Save as disclosed above, there has been no significant change in material litigation, including the status of pending material litigation in respect of the Group during the current quarter under review.

25. Dividend Payable

The Directors recommend the payment of a single-tier interim dividend of 2.5 sen per ordinary share on 5,000,000,000 ordinary shares totalling RM125,000,000 in respect of the financial year ending 31 December 2017. The interim dividend will be paid on 6 October 2017 to shareholders registered on the Company’s Register of Members at the close of business on 12 September 2017.

In the corresponding quarter ended 30 June 2016, the Directors recommended a single-tier interim dividend of 3.5 sen per ordinary shares on 5,000,000,000 ordinary shares totalling RM175,000,000 in respect of the financial year ended 31 December 2016. The dividend was paid on 4 October 2016.

26. Earnings per ordinary share

	3 months ended 30.06.17	3 months ended 30.06.16	Cumulative 6 months ended 30.06.17	Cumulative 6 months ended 30.06.16
Basic/Diluted Earnings per Ordinary Share				
Profit for the period attributable to owners of the Company (RM'mil)	103.3	129.6	202.1	213.7
Weighted average number of ordinary shares ('mil)	5,000.0	5,000.0	5,000.0	5,000.0
Basic earnings per ordinary share (sen)	2.07	2.59	4.04	4.27

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 2017.

By Order of the Board

Yeoh Soo Mei (MAICSA No.7032259)

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

Secretaries

Kuala Lumpur

21 August 2017