Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Year Ended 31 December 2020

	3 months ended 31.12.2020 RM'000 (Unaudited)	3 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Audited)
Continuing operations				
Revenue	1,513,726	1,715,455	6,276,763	7,278,457
Cost of sales	(1,220,812)	(1,440,030)	(5,133,800)	(6,091,865)
Gross profit	292,914	275,425	1,142,963	1,186,592
Other income	7,960	603,282	72,031	683,176
Administrative expenses	(69,231)	(85,117)	(232,437)	(226,990)
Net impairment loss on investment in an associate	-	(407,979)	-	(407,979)
Impairment loss on financial instruments	(6,198)	(25,309)	(24,661)	(25,309)
Other operating expenses	(38,724)	(21,504)	(113,500)	(102,385)
Results from operating activities	186,721	338,798	844,396	1,107,105
Finance income	36,514	56,523	173,121	234,926
Finance costs	(179,693)	(203,222)	(744,696)	(840,907)
Net finance costs	(143,179)	(146,699)	(571,575)	(605,981)
Share of profit/(loss) of equity-accounted associates and joint ventures, net of tax	30,745	(66,052)	171,778	(21,623)
Profit before tax	74,287	126,047	444,599	479,501
Tax expense	(23,116)	(15,154)	(114,530)	(149,634)
Profit from continuing operations	51,171	110,893	330,069	329,867
Discontinued operations				
Profit from discontinued operations, net of tax	-	7,900	-	44,819
Profit for the period/year	51,171	118,793	330,069	374,686
Other comprehensive (expense)/income, net of tax				
Continuing operations				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(8,078)	23,884	(12,471)	23,884
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	1,017	(34,546)	(71,206)	(68,192)
Share of gain/(loss) on hedging reserve of equity-accounted associates and joint ventures	27,175	34,038	(20,000)	(16,796)
Foreign currency translation differences for foreign operations	(23)	(22,307)	(5)	(18,766)
	28,169	(22,815)	(91,211)	(103,754)
Other comprehensive income/(expense) from continuing operations	20,091	1,069	(103,682)	(79,870)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Year Ended 31 December 2020

	3 months ended 31.12.2020 RM'000 (Unaudited)	3 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Audited)
Discontinued operations				
Other comprehensive income/(expense) from discontinued operations, net of tax	-	13,539	-	(39,939)
Total other comprehensive income/(expense) for the period/year	20,091	14,608	(103,682)	(119,809)
Total comprehensive income for the period/year	71,262	133,401	226,387	254,877
Profit attributable to:				
Owners of the Company				
- From continuing operations	41,642	98,505	286,581	275,334
- From discontinued operations	-	7,900	-	44,819
	41,642	106,405	286,581	320,153
Non-controlling interests	9,529	12,388	43,488	54,533
Profit for the period/year	51,171	118,793	330,069	374,686
Total comprehensive income attributable to:				
Owners of the Company				
- From continuing operations	61,733	99,574	182,899	195,464
- From discontinued operations	-	21,439	-	4,880
	61,733	121,013	182,899	200,344
Non-controlling interests	9,529	12,388	43,488	54,533
Total comprehensive income for the period/year	71,262	133,401	226,387	254,877
Earnings per ordinary share (sen)				
Basic/diluted				
- From continuing operations	0.85	2.02	5.86	5.63
- From discontinued operations	-	0.16	-	0.92
	0.85	2.18	5.86	6.55

The 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 31 December 2020

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Restated)
Non-current assets		
Property, plant and equipment	12,398,748	12,881,334
Investment properties	15,300	15,300
Concession assets	167,837	204,283
Intangible assets	3,144,639	3,453,653
Investments in associates	798,841	744,991
Investments in joint ventures	668,364	635,383
Other investments	23,999	21,515
Derivative financial assets	231,170	327,643
Trade and other receivables	480,967	526,419
Deferred tax assets	194,583	146,498
Total non-current assets	18,124,448	18,957,019
Current assets		
Trade and other receivables	883,883	1,501,259
Inventories	584,008	693,058
Current tax assets	90,627	67,774
Other investments	3,377,969	2,509,476
Cash and cash equivalents	1,062,820	2,745,389
Assets classified as held for sale	65,000	65,000
Total current assets	6,064,307	7,581,956
Total assets	**24,188,755**	**26,538,975**
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	61,969	153,180
Accumulated losses	(348,468)	(237,857)
Equity attributable to owners of the Company	5,307,909	5,509,731
Perpetual sukuk	800,000	800,000
Non-controlling interests	336,802	365,516
Total equity	6,444,711	6,675,247
Non-current liabilities		
Loans and borrowings	9,717,431	10,889,063
Lease liabilities	6,746	11,622
Employee benefits	100,483	107,159
Provision for decommissioning cost	99,893	93,724
Provision for concession assets	267,715	253,590
Deferred income	3,357,888	3,661,066
Derivative financial liabilities	15,381	10,013
Deferred tax liabilities	1,200,943	1,273,966
Total non-current liabilities	14,766,480	16,300,203

Condensed Consolidated Statements of Financial Position
As at 31 December 2020

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Restated)
Current liabilities		
Trade and other payables	1,360,300	1,593,219
Current tax liabilities	16,894	39,742
Loans and borrowings	1,164,663	1,509,082
Lease liabilities	6,616	12,144
Provision for concession assets	26,691	197
Deferred income	390,591	391,341
Provision for decommissioning cost	11,809	17,800
Total current liabilities	2,977,564	3,563,525
Total liabilities	17,744,044	19,863,728
Total equity and liabilities	**24,188,755**	**26,538,975**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.09	1.13

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020

	Attributable to owners of the Company								
	Non-distributable				Distributable				
			Reserves						
	Share Capital RM'000	**Treasury Shares RM'000**	**Translation RM'000**	**Hedging RM'000**	**Accumulated Losses RM'000**	**Total RM'000**	**Perpetual Sukuk RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 January 2020	5,693,055	(98,647)	(12,652)	165,832	(241,100)	5,506,488	800,000	368,905	6,675,393
Adjustments upon completion of Purchase Price Allocation, as prescribed under MFRS 3	-	-	-	-	3,243	3,243	-	(3,389)	(146)
At 1 January 2020, restated	5,693,055	(98,647)	(12,652)	165,832	(237,857)	5,509,731	800,000	365,516	6,675,247
Remeasurement of defined benefit liability	-	-	-	-	(12,471)	(12,471)	-	-	(12,471)
Foreign currency translation differences for foreign operations	-	-	(5)	-	-	(5)	-	-	(5)
Cash flow hedge	-	-	-	(71,206)	-	(71,206)	-	-	(71,206)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(20,000)	-	(20,000)	-	-	(20,000)
Other comprehensive expense for the year	-	-	(5)	(91,206)	(12,471)	(103,682)	-	-	(103,682)
Profit for the year	-	-	-	-	286,581	286,581	-	43,488	330,069
Comprehensive (expense)/income for the year	-	-	(5)	(91,206)	274,110	182,899	-	43,488	226,387
Profit distribution of perpetual sukuk	-	-	-	-	(47,032)	(47,032)	-	-	(47,032)
Additional investments in subsidiaries	-	-	-	-	-	-	-	665	665
Incorporation of a subsidiary	-	-	-	-	-	-	-	20	20
Dividends to owners of the Company	-	-	-	-	(337,689)	(337,689)	-	-	(337,689)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(66,510)	(66,510)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(6,377)	(6,377)
Total distribution to owners	-	-	-	-	(337,689)	(337,689)	-	(72,887)	(410,576)
At 31 December 2020	5,693,055	(98,647)	(12,657)	74,626	(348,468)	5,307,909	800,000	336,802	6,444,711

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020

	Attributable to owners of the Company								
	Non-distributable				Distributable				
			Reserves						
	Share Capital RM'000	Treasury Shares RM'000	Translation RM'000	Hedging RM'000	Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2019	5,693,055	(97,606)	3,650	128,094	(82,620)	5,644,573	800,000	219,686	6,664,259
Remeasurement of defined benefit liability	-	-	-	-	23,884	23,884	-	-	23,884
Foreign currency translation differences for foreign operations	-	-	(24,206)	-	-	(24,206)	-	-	(24,206)
Cash flow hedge	-	-	-	(102,691)	-	(102,691)	-	-	(102,691)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(16,796)	-	(16,796)	-	-	(16,796)
Reclassification of reserves to accumulated losses upon disposal of subsidiaries	-	-	7,904	157,225	(165,129)	-	-	-	-
Other comprehensive (expense)/income for the year	-	-	(16,302)	37,738	(141,245)	(119,809)	-	-	(119,809)
Profit for the year	-	-	-	-	320,153	320,153	-	54,533	374,686
Comprehensive (expense)/income for the year	-	-	(16,302)	37,738	178,908	200,344	-	54,533	254,877
Profit distribution of perpetual sukuk	-	-	-	-	(47,071)	(47,071)	-	-	(47,071)
Acquisition of subsidiaries	-	-	-	-	-	-	-	171,332	171,332
Dividends to owners of the Company	-	-	-	-	(290,317)	(290,317)	-	-	(290,317)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(50,000)	(50,000)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(26,646)	(26,646)
Total distribution to owners	-	-	-	-	(290,317)	(290,317)	-	(76,646)	(366,963)
Purchase of treasury shares	-	(1,041)	-	-	-	(1,041)	-	-	(1,041)
At 31 December 2019	5,693,055	(98,647)	(12,652)	165,832	(241,100)	5,506,488	800,000	368,905	6,675,393

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 December 2020

	12 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Audited)
Cash flows from operating activities		
Profit before tax		
Continuing operations	444,599	479,501
Discontinued operations	-	51,403
	444,599	530,904
Adjustments for :		
Non-cash items	1,326,762	1,585,066
Finance costs	744,696	926,312
Finance income	(173,121)	(235,397)
Share of (profit)/loss of equity-accounted associates and joint ventures, net of tax	(171,778)	21,623
Operating profit before changes in working capital	2,171,158	2,828,508
Changes in working capital:		
Net change in current assets	818,724	610,810
Net change in current liabilities	(354,391)	(778,931)
Net change in non-current liabilities	(284,331)	113,934
Cash generated from operations	2,351,160	2,774,321
Tax paid, net	(284,497)	(350,060)
Net cash from operating activities	2,066,663	2,424,261
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(398,278)
Acquisition of joint ventures, net of cash and cash equivalents acquired	-	(294,347)
Disposal of discontinued operations, net of cash and cash equivalents disposed	-	976,431
Change in other investments	(868,493)	1,073,002
Dividends received from associates	10,762	19,797
Dividends received from joint ventures	35,225	141,157
Interest received	174,228	248,051
Other investment in redeemable cumulative convertible preference share	(2,484)	(5,267)
Purchase of property, plant and equipment	(413,679)	(269,963)
Purchase of concession assets	(6,447)	(1,083)
Proceeds from disposal of property, plant and equipment	538	388
Net cash (used in)/from investing activities	(1,070,350)	1,489,888
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(47,032)	(47,071)
Dividends paid to the owners of the Company	(337,689)	(290,317)
Dividends paid to non-controlling interests	(66,510)	(50,000)
Redemption of preference shares to non-controlling interests	(6,377)	(26,646)
Interest paid	(659,050)	(794,010)
Proceeds from issuance of shares to non-controlling interests	685	414
Proceeds from redemption of preference shares	-	8,455
Purchase of treasury shares	-	(1,041)
Repayment of borrowings	(1,548,153)	(1,475,127)
Payment of lease liabilities	(14,756)	(8,564)
Net cash used in financing activities	(2,678,882)	(2,683,907)

Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 December 2020

	12 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Audited)
Net (decrease)/increase in cash and cash equivalents	(1,682,569)	1,230,242
Cash and cash equivalents at beginning of the year	2,745,389	1,515,147
Cash and cash equivalents at end of the year	**1,062,820**	**2,745,389**
Cash and cash equivalents comprise :		
Cash and bank balances	550,858	1,234,409
Deposits with licensed banks and other licensed corporations	511,962	1,510,980
	1,062,820	**2,745,389**

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 ("MFRS") 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 2019 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 2019 were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2019, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2020 as follows:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measuremen*t and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

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 2019 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 made in prior financial year 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 except for the scheduled repayment of Malakoff Power Berhad ("MPB") sukuk programme of RM410.0 million.

7. Dividends paid

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

i. A final dividend of 4.11 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM200,854,109 in respect of the financial year ended 31 December 2019 on 12 June 2020.

ii. An interim dividend of 2.80 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM136,834,916 in respect of the financial year ended 31 December 2020 on 13 October 2020.

8. Segment reporting

The Group's segmental reporting for the financial year ended 31 December 2020 is as follows:

	Local RM'000	Foreign RM'000	Eliminations RM'000	Total RM'000
Continuing operations				
Revenue from external customers	6,276,269	494	-	6,276,763
Inter-segment revenue	1,550,879	60,247	(1,611,126)	-
Total segment revenue	7,827,148	60,741	(1,611,126)	6,276,763
Profit after tax	758,459	16,830	(445,220)	330,069

The Group's segmental reporting for the corresponding financial year ended 31 December 2019 is as follows:

	Local RM'000	Foreign RM'000	Eliminations RM'000	Total RM'000
Continuing operations				
Revenue from external customers	7,277,019	1,438	-	7,278,457
Inter-segment revenue	2,566,428	847,819	(3,414,247)	-
	9,843,447	849,257	(3,414,247)	7,278,457
Discontinued operations^				
Revenue from external customer	-	143,815	-	143,815
Total segment revenue	9,843,447	993,072	(3,414,247)	7,422,272

Profit after tax from:				
Continuing operations	1,436,601	690,649	(1,797,383)	329,867
Discontinued operations	-	50,473	(5,654)	44,819
	1,436,601	741,122	(1,803,037)	374,686

^ Malakoff Australia Pty. Ltd ("MAPL") group's financial results are presented as discontinued operations following disposal of 50% participating interest in the unincorporated joint venture of the Macarthur Wind Farm in Australia in December 2019. Details are disclosed in Note 17(a).

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 December 2020 except for the amounts carried forward pertaining to certain Group properties that had been revalued in the past.

10. 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 2020.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 31 December 2020.

12. Assets classified as held for sale

On 11 December 2019, Port Dickson Power Berhad ("PDP"), a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement ("SPA") with Pacific Energy Company Limited, Nigeria to dispose four (4) units of used gas turbines and generators, related auxiliaries and spare parts (collectively referred to as "power plant assets") for a cash consideration of USD19 million.

Barring unforeseen circumstances, the disposal of the power plant assets is expected to be completed by second quarter of 2021. Accordingly, these power plant assets are reclassified as current assets in accordance with MFRS 5, *Non-Current Assets Held for Sale* and *Discontinued Operations.*

13. 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 2019 except for the following bank guarantees issued to third parties:

	31.12.2020	**31.12.2019**
	RM'mil	RM'mil
Company and subsidiaries	323.6	467.5

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

14. Capital commitments

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

	31.12.2020	**31.12.2019**
	RM'mil	RM'mil
Property, plant and equipment:		
Authorised and contracted for	72.4	106.8
Authorised but not contracted for	813.4	510.7
	885.8	617.5

15. Related party transactions

	31.12.2020	**31.12.2019**
	RM'mil	RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	24.7	35.7

16. Significant events during the year

a) Purchase price allocation for acquisition of Alam Flora Sdn. Bhd. ("AFSB")

On 5 December 2019, Tunas Pancar Sdn. Bhd., a wholly-owned subsidiary of the Company, completed the acquisition of 97.37% equity interest in AFSB for a total cash consideration of RM869,000,000. At the acquisition date, the Group had estimated the provisional goodwill and intangible assets at RM85 million and RM607 million, respectively.

During the current financial year, the Group completed the purchase price allocation ("PPA") in accordance with MFRS 3, *Business Combinations* and adjustments were made to the fair value of net assets, provisional intangible assets and goodwill recorded at the date of the acquisition. The effect of the adjustments is set out below:

Group	**Preliminary Assessment RM'000**	**Adjustments during Measurement Period RM'000**	**Final Assessment RM'000**
Property, plant and equipment	56,013	7,302	63,315
Investment properties	15,300	-	15,300
Concession assets	204,333	-	204,333
Intangible assets	607,215	(105,439)	501,776
Deferred tax assets	26,689	867	27,556
Trade and other receivables	204,344	-	204,344
Inventories	1,298	-	1,298
Cash and cash equivalents	470,722	-	470,722
Loans and borrowings	(24,949)	-	(24,949)
Lease liabilities	(7,874)	-	(7,874)
Provision for concession assets	(254,888)	-	(254,888)
Deferred tax liabilities	(145,609)	25,306	(120,303)
Trade and other payables	(341,717)	-	(341,717)
Current tax liabilities	(3,352)	-	(3,352)
Fair value of identifiable net assets	**807,525**	**(71,964)**	**735,561**

The above fair value adjustments were recorded with effect from the date of acquisition. As a result, certain balances on the statement of financial position as at 31 December 2019 were restated (refer to Note 17(b)).

The effect of the adjustments made upon the completion of PPA is set out below:

	RM'000
Fair value of consideration transferred	869,000
Non-controlling interests, based on their proportionate interest in the net identifiable assets acquired	19,345
Cost of business combination	**888,345**
Adjusted net assets acquired	(354,600)
Fair value of intangible assets	(501,264)
Deferred tax liabilities	120,303
Fair value of identifiable net assets	**(735,561)**
Goodwill	**152,784**

Fair value measurement

The intangible assets and goodwill arising from the acquisition amounting to RM501.3 million and RM152.8 million, respectively were measured and accounted for using the Multi-Period Excess Earning Method ("MEEM") under the income method.

b) Purchase price allocation for acquisition of Desaru Investment (Cayman Isl.) Limited ("DIL")

On 12 September 2019, Malakoff Gulf Limited, a wholly-owned indirect subsidiary of the Company completed the acquisition of the entire equity interest in DIL. Following the acquisition, the Company's effective equity interest in Malaysian Shoaiba Consortium Sdn. Bhd. ("MSCSB") increased from 40% to 80%. MSCSB has a 50% equity interest in Saudi-Malaysia Water & Electricity Company Limited ("SAMAWEC"). Hence, SAMAWEC had been classified as a joint venture of the Group. At the acquisition date, the Group had estimated the provisional intangible assets at RM63.3 million.

During the current financial year, the Group completed the PPA in accordance with MFRS 3, *Business Combinations* and adjustments were made to the fair value of net assets and provisional intangible assets recorded at the date of the acquisition. The effect of the adjustments is set out below:

Group	**Preliminary Assessment RM'000**	**Adjustments during Measurement Period RM'000**	**Final Assessment RM'000**
Investments in joint ventures	738,739	9,165	747,904
Cash and cash equivalents	544	-	544
Deferred tax liabilities	-	(5,469)	(5,469)
Trade and other payables	(2,055)	-	(2,055)
Fair value of identifiable net assets	**737,228**	**3,696**	**740,924**

The above fair value adjustments were recorded with effect from the date of acquisition. As a result, certain balances on the statement of financial position as at 31 December 2019 were restated (refer to Note 17(b)).

The effect of the adjustments made upon the completion of PPA is set out below:

	RM'000
Fair value of consideration transferred	294,891
Fair value of existing interest	294,891
Non-controlling interests, based on their proportionate interest in the net identifiable assets acquired	148,184
Cost of business combination	**737,966**
Adjusted net assets acquired	(679,893)
Fair value of intangible assets	(66,500)
Deferred tax liabilities	5,469
Fair value of identifiable net assets	**(740,924)**
Bargain purchase	**(2,958)**

Fair value measurement

The intangible assets and bargain purchase arising from the acquisition amounting to RM66.5 million and RM3.0 million, respectively were measured and accounted for using the MEEM under the income method.

c) Award of Feed-in Tariff Approval for a 2.4MW Biogas Power Project in Ulu Sebol, Kota Tinggi, Johor Darul Takzim

On 18 November 2020, Southern Biogas Sdn Bhd ("SBSB"), a 60%-owned indirect subsidiary of MCB, received approval for the Feed-in Tariff ("FiT") from the Government of Malaysia through Sustainable Energy Development Authority ("SEDA") to undertake the development of a 2.4MW Biogas Power Plant in Ulu Sebol, Kota Tinggi, Johor Darul Takzim. The FiT is for a period of 21 years from the commencement operation date ("COD"), November 2023.

17. Comparative figures

a) Disposal of a subsidiary

On 18 December 2019, Skyfirst Power Sdn. Bhd., a wholly-owned indirect subsidiary of the Company completed the disposal of its entire 50% participating interest in the unincorporated joint venture of the Macarthur Wind Farm in Australia held by Malakoff Wind Macarthur Pty. Limited. As such, the results have been presented as discontinued operations for the year ended 31 December 2019. The discontinued operations are presented separately from continuing operations as follows:

	3 months ended 31.12.2020 RM'000	3 months ended 31.12.2019 RM'000	Cumulative 12 months ended 31.12.2020 RM'000	Cumulative 12 months ended 31.12.2019 RM'000
Discontinued operations				
Revenue	-	25,646	-	143,815
Cost of sales	-	-	-	-
Gross profit	-	25,646	-	143,815
Other income	-	-	-	-
Administrative expenses	-	1,288	-	(366)
Other operating expenses	-	-	-	(7,112)
Results from operating activities	-	26,934	-	136,337
Finance income	-	32	-	471
Finance costs	-	(15,342)	-	(85,405)
Profit before tax	-	11,624	-	51,403
Income tax expense	-	(3,724)	-	(6,584)
Profit from discontinued operations	-	7,900	-	44,819
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	-	13,465	-	(34,499)
Foreign currency translation differences for foreign operations	-	74	-	(5,440)
Other comprehensive expense, net of tax from discontinued operations	-	13,539	-	(39,939)
Total comprehensive income for the period/year from discontinued operations	-	21,439	-	4,880

b) Completion of purchase price allocation for acquisitions of Alam Flora Sdn. Bhd. ("AFSB") and Desaru Investment (Cayman Isl.) Limited ("DIL")

Following completion of the PPA for the acquisitions of AFSB and DIL during the current financial year, the Group adjusted the fair values of certain identifiable assets and liabilities. The fair values were adjusted retrospectively. The restatement of comparatives as at 31 December 2019 are as follows:

	As previously stated RM'000	**Adjustments RM'000**	**As restated RM'000**
Non-current assets			
Property, plant and equipment	12,874,076	7,258	12,881,334
Intangible assets	3,490,922	(37,269)	3,453,653
Investments in joint ventures	626,322	9,061	635,383
Deferred tax assets	146,498	-	146,498
Equity			
Accumulated losses	(241,100)	3,243	(237,857)
Non-controlling interests	368,905	(3,389)	365,516
Non-current liabilities			
Deferred tax liabilities	1,294,770	(20,804)	1,273,966

Additional information required by the Bursa Securities Listing Requirements

18. Review of performance

The performance review for the corresponding quarter and year ended 31 December 2019 includes Malakoff Australia Pty. Ltd ("MAPL") group's financial results presented as discontinued operations, disclosed in Note 17(a).

Quarter 4, 2020 vs Quarter 4, 2019

For the quarter ended 31 December 2020, the Group recorded RM1,513.7 million in revenue, a decrease of 13.1% from RM1,741.1 million reported in the corresponding quarter ended 31 December 2019, primarily due to lower energy payment recorded from Segari Energy Ventures Sdn. Bhd. ("SEV") given the lower despatch factor, partially moderated by revenue contribution from Alam Flora Sdn. Bhd. ("AFSB"), the newly acquired subsidiary.

The Group recorded lower profit before taxation of RM74.3 million, a decrease of 46.0% from RM137.7 million reported in the corresponding quarter ended 31 December 2019, primarily attributed to the absence of one-off gain from disposal of the Group's investment in MAPL in December 2019. However, this was partially moderated by the absence of net impairment loss on carrying value of investment in 40% owned Kapar Energy Ventures Sdn. Bhd. ("KEV") and absence of KEV's share of losses as a result of provision made up to the carrying amount of investment in KEV as at 31 December 2019.

Year-to-date, 2020 vs Year-to-date, 2019

For the financial year ended 31 December 2020, the Group recorded RM6,276.8 million in revenue, a decrease of 15.4% from RM7,422.3 million reported in the preceding year, primarily due to lower energy payment recorded from SEV and Tanjung Bin Power Sdn. Bhd. ("TBP") given the lower despatch factor and decline in applicable coal price ("ACP") respectively, deconsolidation of MAPL's revenue upon disposal of the Group's investment in December 2019 and lower daily utilisation payment ("DUP") from TBP in line with the scheduled reduction in tariff effective 28 September 2019. However, these were partially moderated by revenue contribution from AFSB, the newly acquired subsidiary which was completed on 5 December 2019.

The Group recorded lower profit before taxation of RM444.6 million, a decrease of 16.3% from RM530.9 million in the preceding year, primarily attributed to the absence of one-off gain from disposal of the Group's investment in MAPL in December 2019, deconsolidation of MAPL's contribution upon disposal of the Group's investment, absence of gain on remeasurement of investment upon completion of 12% additional interest in Shuaibah IWPP in September 2019 and TBP's lower DUP. However, these were partially moderated by the absence of net impairment loss on carrying value of investment in KEV, absence of KEV's share of losses as a result of provision made up to the carrying amount of investment, Tanjung Bin Energy Sdn. Bhd. ("TBE") settlement agreement with Alstom Power Systems and GE Power Services (Malaysia) Sdn Bhd (collectively referred as "GE") in relation to the losses and damages incurred as a result of failure events which occurred between April 2017 and June 2019, contribution from AFSB as well as lower operations and maintenance costs.

19. Variation of results against immediate preceding quarter

Quarter 4, 2020 vs Quarter 3, 2020

The Group recorded higher profit before taxation of RM74.3 million in the current quarter compared with RM67.6 million in the immediate preceding quarter, primarily attributed to improved contribution from TBE coal plant on the back of higher ACP, partially offset by lower contributions from foreign associates investments.

20. Current prospects

Malaysia's economy is projected to grow by 6.7% in 2021 after contracting by 5.8% in 2020 due to the COVID-19 pandemic (source: World Bank – Malaysia Economic Monitor). The projected rebound is premised upon continued improvement in exports, consumption and investment.

The economic growth, while still on course to rebound, is likely to be slower than previously expected amid stringent Movement Control Order and uncertainties over vaccine rollouts. However, the Government's various stimulus packages and the approved Budget 2021 are expected to provide support and mitigate the impact on the economy.

As economic recovery remains an absolute priority, the Group continues to play a key role as an essential service provider and to drive growth with its power plants and waste collection operation together with the ongoing cost-saving measures during this challenging period.

On the Renewable Energy ("RE") front, the Group continues to seek RE opportunities in line with the government's target to increase the current RE capacity mix to 20% by 2025. On 30 October 2020, the Group signed a Solar Power Purchase Agreement ("SPPA") with PMB Properties Sdn. Bhd., a wholly-owned subsidiary of Pos Malaysia Berhad to carry out a rooftop solar project with a capacity of 2.34 MW. Additionally, on 12 November 2020, the Group through its 60%-owned indirect subsidiary Southern Biogas Sdn. Bhd was awarded with the Feed-in Tariff ("FiT") from Sustainable Energy Development Authority ("SEDA") to develop a 2.4 MW Biogas Power Plant in Johor.

Based on the foregoing, the Group expects overall performance to remain satisfactory for the financial year ending 31 December 2021.

21. Profit before tax

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

	3 months ended 31.12.2020 RM'mil	3 months ended 31.12.2019 RM'mil	Cumulative 12 months ended 31.12.2020 RM'mil	Cumulative 12 months ended 31.12.2019 RM'mil
Finance income	(36.5)	(56.6)	(173.1)	(235.4)
Finance costs	179.7	218.6	744.7	926.3
Depreciation	225.6	236.6	888.7	891.4
Amortisation of intangibles assets	80.3	75.6	321.2	288.0
Impairment loss on financial instruments	6.2	25.3	24.7	25.3
Net impairment loss on investment in an associate	-	408.0	-	408.0
Gain on disposal of a subsidiary	-	(556.6)	-	(556.6)
Gain on derecognition of an associate	-	-	-	(29.8)
Property, plant and equipment written off	(0.2)	6.5	6.8	11.5
Net foreign exchange loss/(gain)	2.8	(2.1)	4.4	(3.1)

22. Profit forecast or profit guarantee

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

23. Tax expense

	3 months ended 31.12.2020 RM'mil	3 months ended 31.12.2019 RM'mil	Cumulative 12 months ended 31.12.2020 RM'mil	Cumulative 12 months ended 31.12.2019 RM'mil
Current tax expense	61.5	54.7	237.3	371.0
Deferred tax expense	(38.4)	(35.8)	(122.8)	(214.8)
Total tax expense	23.1	18.9	114.5	156.2

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

24. Borrowings

	31.12.2020 RM'mil	31.12.2019 RM'mil
Current		
- Secured	1,164.7	1,509.0
Non-current		
- Secured	9,687.4	10,859.1
- Unsecured	30.0	30.0
	9,717.4	10,889.1
	10,882.1	12,398.1

The breakdown of Group borrowings by currency is as follows:

	31.12.2020 RM'mil	31.12.2019 RM'mil
Functional currency		
- RM	10,592.9	11,716.3
- AUD	-	387.1
- USD	289.2	294.7
	10,882.1	12,398.1

25. Changes in material litigation

i) *Proceedings by the Public Prosecutor of Algeria against Almiyah Attilemcania SpA ("AAS")*

In 2009, it was discovered that there was a considerable gap ("Invoice Gap") between the value of the equipment received as per the invoices declared to the Algerian Customs and the value of the milestone payments made by AAS to the supplier cum contractor ("Contractor"). AAS wrote to the Contractor seeking clarifications as the Contractor was responsible for resolving tax and customs issues. However, as the Invoice Gap was not resolved by the Contractor, the Algerian Customs initiated investigations and thereafter filed a charge against AAS for repression of foreign exchange regulations.

On 4 September 2014, AAS was charged in the Court of Ghazaouet in the District of Tlemcen, Algeria, for alleged breach of foreign exchange regulations concerning a sum of USD26.9 million. The Court of Ghazaouet convicted AAS on 24 December 2014 and subsequently imposed a penalty of DZD3,929,038,151 (approximately RM148.3 million at the exchange rate of RM1: DZD26.5) ("Penalty") on AAS. On 2 March 2016, the Court of Appeal upheld the decision and the Penalty imposed by the Court of Ghazaouet.

Notwithstanding the decision of the Court of Ghazaouet as upheld by the Court of Appeal, AAS has been advised by its solicitor, Maitre Hadjer Becha, an attorney admitted to the Algerian Supreme Court, that the Penalty will not be enforced until the exhaustion of all rights of appeal by AAS in respect of the proceedings.

On 17 June 2016, AAS filed an appeal at the Supreme Court of Algeria. To date, the Supreme Court of Algeria has not made any decision on the appeal.

The Group's liability arising from the Penalty, in proportion to the Group's 35.7% effective interest in AAS, via Tlemcen Desalination Investment Company SAS, which may impact the profit of the Group amounts to DZD1,402,666,620 (approximately RM52.9 million). In 2016, the Group's carrying amount of investment in AAS had been fully provided in respect of the foregoing.

ii) International Chamber of Commerce International Court of Arbitration ("ICC") Arbitration No. 24250/DDA between Algerian Energy Company SPA ("AEC" or "Claimant") and (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB") in relation to the Souk Tleta Seawater Desalination Plant in the District of Tlemcen, Algeria ("Plant")

On 19 March 2019, AEC filed a request for Arbitration ("Request") at ICC, Paris, against TDIC, Hyflux and MCB (collectively referred to as "Respondents") in relation to the Water Purchase Agreement dated 9 December 2007 ("WPA"), Framework Agreement of December 2007 ("FA"), Joint Venture Agreement dated 28 March 2007 ("JVA") and Dispute Resolution Protocol dated 9 December 2007 ("DRP") (collectively referred to as "Contract Documents").

In the Request, the Claimant has alleged, amongst others, that the Respondents:

a) Are liable for breaches of contract and negligence in the design, operation and maintenance of the Plant; and
b) Wrongly objected to the termination of the WPA, transfer of AAS shares to AEC and conduct of a technical audit of the Plant under the FA.

In this regard, the reliefs sought by the Claimant from the arbitral tribunal include, inter alia:

a) A declaration that the Respondents have breached their contractual obligations under the Contract Documents;
b) An order that the WPA was validly terminated for events of default;
c) An order for TDIC to transfer its shares in AAS to AEC at the price of 1 Algerian Dinar;
d) An order for the Respondents to indemnify AEC for damages incurred as a result of their breaches, estimated on an interim basis at 80 Million Euro;
e) An order for the Respondents to pay all costs of the Plant rehabilitation to be completed by a third party to be selected by AEC; and
f) An order for the Respondents to guarantee the payment or reimburse the fine of 3,929 million Algerian Dinar (imposed on AAS by the Algerian courts for the Invoice Gap, which is currently pending outcome of AAS' appeal to the Algerian Supreme Court).

The Respondents filed their respective answers to the Request at the ICC in May 2019. On 17 January 2020, the Respondents filed their respective submissions on jurisdictional objections against AEC's claims. The Claimant filed its reply on 28 February 2020 and the Respondents submitted their reply on 15 April 2020.

On 15 June 2020, the arbitral tribunal conducted a virtual hearing of the Respondents' jurisdictional objections.

On 16 January 2021, MCB was informed by its counsel that the arbitral tribunal had issued its award on the Respondents' jurisdictional objections and decided that it has jurisdiction to review and decide on AEC's claims under the JVA and FA, and reserves its decision regarding the issues under the WPA. The ICC arbitration will now progress to the next phase where the merits of the claims and defences will be heard and deliberated.

iii) Singapore International Arbitration Centre Arbitration No. 278 of 2018 between Prai Power Sdn. Bhd. ("Claimant"), a wholly-owned subsidiary of MCB, and (1) GE Energy Parts, Inc, (2) GE Power Systems (Malaysia) Sdn. Bhd. (3) General Electric International, Inc, and (4) General Electric Company (collectively "Respondents"), where Malakoff Corporation Berhad ("MCB") and Malakoff Power Berhad ("MPB") have been joined as third parties to the arbitration

MCB was notified on 9 January 2020 that GE Energy Parts, Inc ("1st Respondent"), GE Power Systems (Malaysia) Sdn. Bhd. ("2nd Respondent"), General Electric International, Inc ("3rd Respondent), and General Electric Company ("4th Respondent") had filed an application ("Joinder Application") to join MCB and MPB as parties to the Respondents' Counterclaim in the arbitration initiated by Allianz General Insurance Company (Malaysia) Berhad ("AGI") on 24 September 2018 as a subrogated action in the name of the Claimant in relation to an incident on or around 18 July 2015 ("2015 Incident") which resulted in damage to a gas turbine at the Claimant's 350MW Combined Cycle Gas Turbine Power Plant situated in Prai, Penang ("Prai Power Plant").

The Claimant alleged, among others, that the Respondents had failed to exercise reasonable care and skill to properly design, manufacture, supply and install a GE 109FA single shaft gas turbine at the Prai Power Plant and therefore claimed for, among others, loss and damage in the sum of RM72,094,050.12 from the Respondents.

In the Joinder Application, the Respondents alleged that:

a) The commencement of the arbitration constitutes a breach of the Settlement and Release Agreement between the Respondents, Claimant, MCB and MPB dated 12 December 2012 ("SRA");
b) Under the SRA, MCB and MPB are liable to indemnify the Respondents against the arbitration;
c) Under the Long Term Service Agreement between MPB and the 1st and 2nd Respondents dated 19 December 2000 ("LTSA"), MPB is liable to indemnify the Respondents against the arbitration;
d) MPB has breached its insurance obligations under the LTSA; and
e) If the Respondents are found liable for the 2015 Incident, MPB is liable for contributory negligence as the operator of Prai Power Plant.

On 20 June 2020, the arbitral tribunal decided in its discretion to grant the Joinder Application to join MCB and MPB as parties to the arbitration. The arbitral tribunal did not find it necessary to decide on the merits of the claims at this juncture, which will instead be decided at the merits hearing of the SIAC Arbitration.

Subsequent to the above, the Respondents filed their Statement of Claim dated 7 September 2020 against MCB and MPB alleging:

a) Breach of the SRA by both MCB and MPB, in that the Claimant's claim is extinguished by the SRA;
b) MCB and MPB are required to indemnify the Respondents against the Claimant's claim under the SRA and LTSA;
c) Breach of insurance obligations by MPB under the LTSA, in allegedly failing to procure the required waiver of subrogation; and
d) MPB ought to be liable for the 2015 Incident, in full or by way of contributory negligence, as the operator of the plant.

On 26 October 2020, MCB and MPB submitted their Statement of Defence, pleading inter alia the following defences:

a) MCB's and MPB's obligation to indemnify under the SRA does not arise because the 2015 Incident is fundamentally different from the 2006 and 2009 Incidents. Further, any finding by the arbitral tribunal that the Claimant's claim is a breach of the SRA will result in the dismissal of the Claimant's claim, and thus there will be no indemnifiable loss incurred by the Respondents;
b) MPB has no obligation to indemnify the 3rd and 4th Respondents under the LTSA as they are not parties to the LTSA. Further, the Claimant's claim, being a claim for negligence in inter alia design, does not arise out of the LTSA;
c) MPB did not breach its insurance obligations under the LTSA, as MPB procured insurance which complied with the requirements of the LTSA; and
d) MPB is not liable for contributory negligence in operating the Prai Power Plant, as MPB had fulfilled its operations and maintenance obligations.

On 30 November 2020, the Respondents submitted its Statement of Reply.

Parties are required to exchange lists of documents on which each party intends to rely on in the arbitration by 15 February 2021.

iv) Asian International Arbitration Centre ("AIAC") Arbitration No. ADM-831-2020 between Tanjung Bin Energy Sdn. Bhd. ("Claimant") and Consortium HSL-TGE-GASB ("Respondent" or "Contractor"), comprising HSL Constructor Pte Ltd, HSL Constructor Sdn. Bhd., Tecgates Engineering (M) Sdn. Bhd. and Gema Antara Sdn. Bhd.

Tanjung Bin Energy Sdn. Bhd. ("TBE"), a wholly-owned subsidiary of the Company, had on 12 March 2020, commenced arbitration against Consortium HSL-TGE-GASB ("Respondent" or "Contractor"), an unincorporated joint venture comprising (a) HSL Constructor Pte Ltd; (b) HSL Constructor Sdn. Bhd.; (c) Tecgates Engineering (M) Sdn. Bhd.; and (d) Gema Antara Sdn. Bhd. in relation to disputes arising from the Engineering, Procurement, Construction and Commissioning Contract dated 9 June 2017 ("EPCC Contract") for the New Coal Unloading Jetty and Associated Bulk Material Handling System at 1x1000MW Coal Fired Power Plant at Tanjung Bin, Johor.

TBE had identified multiple breaches by the Contractor of its contractual duties under the EPCC Contract, including *inter alia* the followings:

a) The Contractor failed to complete all work which is stated in the EPCC Contract as required for the work to be considered as completed for the purposes of taking over under the EPCC Contract by 6 March 2019, the stipulated Time for Completion. Accordingly, the Contractor is obligated to pay to TBE the sum of RM36,335,778.96, being the delay damages ("Delay Damages") under the EPCC Contract.

b) The Contractor failed to deliver to TBE a warranty bond of RM12,111,926.32, being 5% of the contract price, in accordance with the requirements under the EPCC Contract, following the issuance of the Taking Over Certificate dated 25 July 2019 by TBE ("Warranty Bond").

TBE therefore seeks the following reliefs and remedies against the Contractor in the arbitration:

a) A declaration that TBE is entitled to the full payment of RM36,335,778.96 as Delay Damages;
b) An order that the Contractor pay the sum of RM7,900,567.53 (being Delay Damages of RM36,335,778.96 less remaining milestone claims of RM28,435,211.43);
c) An order that the Contractor forthwith deliver the Warranty Bond;
d) In the alternative for c) above, an order that the Contractor pay the amount required to be guaranteed by the Warranty Bond, i.e. RM12,111,926.32;
e) Costs; and
f) Such further or other relief(s) as the arbitral tribunal deems fit.

The Contractor submitted its Response to Notice of Arbitration on 10 April 2020, denying TBE's claims and counterclaiming the milestone payments of RM28,435,211.43.

On 9 December 2020, AIAC had issued its confirmation on the registration of the commencement of the arbitration. AIAC further instructed TBE and the Contractor to pay a provisional advance deposit ("Deposit") totalling USD101,832.93 in two equal portions by 30 December 2020. TBE had paid its portion of the Deposit while the Contractor has yet to pay its portion.

26. Dividend Payable

Announcement on the final dividend for the financial year ended 31 December 2020 will be made upon the conclusion of the Audited Financial Statements in March 2021.

27. Earnings per ordinary share

	3 months ended 31.12.2020	3 months ended 31.12.2019	Cumulative 12 months ended 31.12.2020	Cumulative 12 months ended 31.12.2019
Basic/Diluted Earnings per Ordinary Share				
Profit for the period/year attributable to owners of the Company (RM mil)	41.6	106.4	286.6	320.2
Weighted average number of ordinary shares (mil)	4,887.0	4,887.0	4,887.0	4,887.3
Basic/diluted earnings per ordinary share (sen)	0.85	2.18	5.86	6.55

28. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 19 February 2021.

By Order of the Board
Noor Raniz bin Mat Nor (MAICSA No.7061903)
Cheryl Rinai Kalip (LS 0008258)
Secretaries
Kuala Lumpur
19 February 2021