

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 30 June 2022

	3 months ended 30.06.2022 RM'000 (Unaudited)	3 months ended 30.06.2021 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2022 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2021 RM'000 (Unaudited)
Revenue	2,318,476	1,584,439	4,202,250	2,935,616
Cost of sales	<u>(1,947,626)</u>	<u>(1,221,290)</u>	<u>(3,565,806)</u>	<u>(2,288,147)</u>
Gross profit	370,850	363,149	636,444	647,469
Other income	2,572	3,926	8,890	10,799
Administrative expenses	(64,195)	(60,674)	(117,012)	(110,483)
Impairment loss on financial instruments	(6,132)	(6,120)	(12,239)	(12,213)
Other operating expenses	<u>(29,670)</u>	<u>(31,448)</u>	<u>(58,414)</u>	<u>(55,348)</u>
Results from operating activities	273,425	268,833	457,669	480,224
Finance income	23,165	31,375	47,080	60,058
Finance costs	(155,865)	(171,991)	(313,544)	(343,169)
Net finance costs	(132,700)	(140,616)	(266,464)	(283,111)
Share of profit of equity-accounted associates and joint ventures, net of tax	<u>55,883</u>	<u>61,477</u>	<u>103,584</u>	<u>89,263</u>
Profit before tax	196,608	189,694	294,789	286,376
Tax expense	<u>(64,166)</u>	<u>(59,789)</u>	<u>(92,585)</u>	<u>(82,567)</u>
Profit for the period	<u>132,442</u>	<u>129,905</u>	<u>202,204</u>	<u>203,809</u>
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	-	(32)	-	(32)
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(9,415)	(8,085)	2,101	20,809
Share of gain on hedging reserve of equity-accounted associates and joint ventures	30,716	16,776	76,747	43,621
Foreign currency translation differences for foreign operations	15,325	1,579	17,721	8,065
	36,626	10,270	96,569	72,495
Other comprehensive income for the period	<u>36,626</u>	<u>10,238</u>	<u>96,569</u>	<u>72,463</u>
Total comprehensive income for the period	<u>169,068</u>	<u>140,143</u>	<u>298,773</u>	<u>276,272</u>

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Profit attributable to:				
Owners of the Company	119,145	117,734	170,026	178,178
Non-controlling interests	13,297	12,171	32,178	25,631
Profit for the period	<u>132,442</u>	<u>129,905</u>	<u>202,204</u>	<u>203,809</u>
Total comprehensive income attributable to:				
Owners of the Company	155,771	127,972	266,595	250,641
Non-controlling interests	13,297	12,171	32,178	25,631
Total comprehensive income for the period	<u>169,068</u>	<u>140,143</u>	<u>298,773</u>	<u>276,272</u>
Earnings per ordinary share (sen)				
Basic/diluted	2.44	2.41	3.48	3.65

Condensed Consolidated Statements Of Financial Position
As At 30 June 2022

	As at 30.06.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
Assets		
Property, plant and equipment	11,374,796	11,653,476
Investment properties	15,300	15,300
Concession assets	142,044	149,658
Intangible assets	2,682,566	2,835,597
Investments in associates	1,036,839	931,687
Investments in joint ventures	862,814	791,696
Other investments	2,484	2,484
Derivative financial assets	142,270	288,680
Trade and other receivables	231,288	264,540
Deferred tax assets	248,677	217,087
Total non-current assets	16,739,078	17,150,205
Trade and other receivables	1,673,874	796,058
Inventories	1,185,268	874,279
Current tax assets	81,337	76,220
Other investments	1,330,182	2,617,093
Cash and cash equivalents	2,196,459	1,568,819
Total current assets	6,467,120	5,932,469
Total assets	23,206,198	23,082,674
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	296,371	199,802
Accumulated losses	(350,292)	(399,172)
Equity attributable to owners of the Company	5,540,487	5,395,038
Perpetual sukuk	800,000	800,000
Non-controlling interests	308,122	311,688
Total equity	6,648,609	6,506,726
Liabilities		
Loans and borrowings	8,508,733	8,586,925
Lease liabilities	14,612	14,135
Employee benefits	110,401	110,331
Provision for decommissioning cost	162,194	158,333
Provision for concession assets	283,476	41,336
Deferred income	2,911,621	3,061,319
Derivative financial liabilities	527	7,106
Deferred tax liabilities	1,039,245	1,071,225
Total non-current liabilities	13,030,809	13,050,710

Condensed Consolidated Statements Of Financial Position
As At 30 June 2022

	As at 30.06.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
Trade and other payables	1,913,608	1,498,694
Current tax liabilities	88,660	58,576
Loans and borrowings	1,057,658	1,258,843
Lease liabilities	7,862	9,961
Provision for decommissioning cost	24,401	25,013
Provision for concession assets	48,085	286,026
Deferred income	386,506	388,125
Total current liabilities	3,526,780	3,525,238
Total liabilities	16,557,589	16,575,948
Total equity and liabilities	23,206,198	23,082,674
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.13	1.10

Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2022

/----- Attributable to owners of the Company -----/
 /----- Non-distributable -----/ **Distributable**

	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			Translation RM'000	Hedging RM'000					
At 1 January 2022	5,693,055	(98,647)	(5,975)	205,777	(399,172)	5,395,038	800,000	311,688	6,506,726
Foreign currency translation differences for foreign operations	-	-	17,721	-	-	17,721	-	-	17,721
Cash flow hedge	-	-	-	2,101	-	2,101	-	-	2,101
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	76,747	-	76,747	-	-	76,747
Other comprehensive income for the period	-	-	17,721	78,848	-	96,569	-	-	96,569
Profit for the period	-	-	-	-	170,026	170,026	-	32,178	202,204
Comprehensive income for the period	-	-	17,721	78,848	170,026	266,595	-	32,178	298,773
Profit distribution of perpetual sukuk	-	-	-	-	(23,406)	(23,406)	-	-	(23,406)
Dividends to owners of the Company	-	-	-	-	(97,740)	(97,740)	-	-	(97,740)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(33,892)	(33,892)
Redemption of preference shares to non-controlling interests	-	-	-	-	-	-	-	(1,852)	(1,852)
Total distribution to owners	-	-	-	-	(97,740)	(97,740)	-	(35,744)	(133,484)
At 30 June 2022	5,693,055	(98,647)	11,746	284,625	(350,292)	5,540,487	800,000	308,122	6,648,609

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2022**

	/----- Attributable to owners of the Company -----/								
	/----- Non-distributable -----/				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Translation RM'000			Hedging RM'000						
At 1 January 2021	5,693,055	(98,647)	(12,657)	74,626	(348,468)	5,307,909	800,000	336,802	6,444,711
Remeasurement of defined benefit liabilities	-	-	-	-	(32)	(32)	-	-	(32)
Foreign currency translation differences for foreign operations	-	-	8,065	-	-	8,065	-	-	8,065
Cash flow hedge	-	-	-	20,809	-	20,809	-	-	20,809
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	43,621	-	43,621	-	-	43,621
Other comprehensive income/(expense) for the period	-	-	8,065	64,430	(32)	72,463	-	-	72,463
Profit for the period	-	-	-	-	178,178	178,178	-	25,631	203,809
Comprehensive income for the period	-	-	8,065	64,430	178,146	250,641	-	25,631	276,272
Profit distribution of perpetual sukuk	-	-	-	-	(23,406)	(23,406)	-	-	(23,406)
Dividends to owners of the Company	-	-	-	-	(112,401)	(112,401)	-	-	(112,401)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(39,709)	(39,709)
Total distribution to owners	-	-	-	-	(112,401)	(112,401)	-	(39,709)	(152,110)
At 30 June 2021	5,693,055	(98,647)	(4,592)	139,056	(306,129)	5,422,743	800,000	322,724	6,545,467

**Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 June 2022**

	6 months ended 30.06.2022 RM'000 (Unaudited)	6 months ended 30.06.2021 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	294,789	286,376
Adjustments for :		
Non cash-items	818,637	647,209
Finance costs	313,544	343,169
Finance income	(47,080)	(60,058)
Share of profit of equity-accounted associates and joint ventures, net of tax	(103,584)	(89,263)
Operating profit before changes in working capital	<u>1,276,306</u>	<u>1,127,433</u>
<i>Changes in working capital:</i>		
Net change in current assets	(1,264,781)	(536,440)
Net change in current liabilities	319,257	137,646
Net change in non-current liabilities	(151,933)	(133,177)
Cash generated from operations	<u>178,849</u>	<u>595,462</u>
Tax paid, net	(134,241)	(123,437)
Net cash from operating activities	<u>44,608</u>	<u>472,025</u>
Cash flows from investing activities		
Change in other investments	1,286,911	16,573
Dividends received from associates	4,333	-
Dividends received from joint ventures	15,092	28,005
Interest received	40,878	71,154
Purchase of property, plant and equipment	(178,767)	(118,758)
Purchase of concession assets	-	(1,454)
Proceeds from disposal of property, plant and equipment	10	135
Net cash from/(used in) investing activities	<u>1,168,457</u>	<u>(4,345)</u>
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(23,406)	(23,406)
Dividends paid to owners of the Company	(97,740)	(112,401)
Dividends paid to non-controlling interests	(33,892)	(39,709)
Interest paid	(258,125)	(276,336)
Proceeds from borrowings	710,000	2,970,000
Repayment of borrowings	(877,222)	(3,114,366)
Payment of lease liabilities	(5,040)	(5,730)
Net cash used in financing activities	<u>(585,425)</u>	<u>(601,948)</u>
Net increase/(decrease) in cash and cash equivalents	627,640	(134,268)
Cash and cash equivalents at beginning of the period	1,568,819	1,062,600
Cash and cash equivalents at end of the period	<u><u>2,196,459</u></u>	<u><u>928,332</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	444,315	279,578
Deposits with licensed banks and other licensed corporations	1,752,144	648,754
	<u><u>2,196,459</u></u>	<u><u>928,332</u></u>

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 2021 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 2021 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 2021, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2022 as follows:

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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 2021 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

On 23 May 2022, Tanjung Bin Energy Sdn. Bhd. (“TBE”) issued RM710.0 million Islamic Medium Term Notes based on Shariah principle of Murabahah (“Sukuk Murabahah”). The proceeds from the issuance of Sukuk Murabahah were utilised to repay the amounts owing from TBE to Tanjung Bin Energy Issuer Berhad (“TBEI”) pursuant to the Turnkey Contract. TBEI had then in turn used the cash proceeds received from TBE to partially prepay its existing USD Term Loan and RM Term Loan.

Saved for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter.

7. Dividends paid

On 2 June 2022, the Company paid a final dividend of 2.00 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM97,740,000 in respect of the financial year ended 31 December 2021.

8. Segment reporting

The Group's segmental reporting for the financial period ended 30 June 2022 is as follows:

	<u>Power generation</u>			<u>Waste Management and Environmental Services</u>	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue from external customers	3,709,033	-	3,709,033	427,840	65,377	-	65,377	-	-	-	4,202,250	-	4,202,250
Inter-segment revenue	-	-	-	-	729,244	19,210	748,454	(729,244)	(19,210)	(748,454)	-	-	-
Total segment revenue	3,709,033	-	3,709,033	427,840	794,621	19,210	813,831	(729,244)	(19,210)	(748,454)	4,202,250	-	4,202,250
Profit after tax	228,912	103,584	332,496	62,549	330,215	20,291	350,506	(517,515)	(25,832)	(543,347)	104,161	98,043	202,204

The Group's segmental reporting for the corresponding financial period ended 30 June 2021 is as follows:

	<u>Power generation</u>			<u>Waste Management and Environmental Services</u>	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	<u>Local</u> <u>RM'000</u>	<u>Foreign</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Local</u> <u>RM'000</u>	<u>Local</u> <u>RM'000</u>	<u>Foreign</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Local</u> <u>RM'000</u>	<u>Foreign</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Local</u> <u>RM'000</u>	<u>Foreign</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Revenue from external customers	2,475,852	-	2,475,852	406,413	53,351	-	53,351	-	-	-	2,935,616	-	2,935,616
Inter-segment revenue	-	-	-	-	753,553	12,305	765,858	(753,553)	(12,305)	(765,858)	-	-	-
Total segment revenue	2,475,852	-	2,475,852	406,413	806,904	12,305	819,209	(753,553)	(12,305)	(765,858)	2,935,616	-	2,935,616
Profit after tax	236,183	85,406	321,589	62,501	323,919	62,772	386,691	(497,234)	(69,738)	(566,972)	125,369	78,440	203,809

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 30 June 2022 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 30 June 2022.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 June 2022.

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 2021 except for the following bank guarantees issued to third parties:

	30.6.2022 RM'mil	31.12.2021 RM'mil
Company and subsidiaries	<u>572.4</u>	<u>310.5</u>

These guarantees mainly consist of 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:

	30.6.2022 RM'mil	31.12.2021 RM'mil
Property, plant and equipment:		
Authorised and contracted for	89.7	81.3
Authorised but not contracted for	<u>399.9</u>	<u>481.0</u>
	<u>489.6</u>	<u>562.3</u>

14. Related party transactions

	30.6.2022 RM'mil	30.6.2021 RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	<u>12.2</u>	<u>12.2</u>

Additional information required by the Bursa Securities Listing Requirements**15. Review of performance****Quarter 2, 2022 vs Quarter 2, 2021**

For the quarter ended 30 June 2022, the Group recorded RM2,318.5 million in revenue, an increase of 46.3% from RM1,584.4 million reported in the corresponding quarter ended 30 June 2021, primarily due to higher energy payments recorded from Tanjung Bin Power Sdn. Bhd. (“TBP”) and Tanjung Bin Energy Sdn. Bhd. (“TBE”) on the back of the higher applicable coal price (“ACP”).

The Group recorded higher profit before taxation of RM196.6 million, a slight increase of 3.6% from RM189.7 million reported in the corresponding quarter ended 30 June 2021, primarily due to higher contribution from TBP given the higher ACP and lower net finance costs. However, these were partially offset by lower contribution from TBE impacted by the reduction in capacity income following plant outage caused by Low-Pressure Turbine blade failure coupled with higher operation and maintenance costs.

Year-to-date, 2022 vs Year-to-date, 2021

For the period ended 30 June 2022, the Group recorded RM4,202.3 million in revenue, an increase of 43.1% from RM2,935.6 million reported in the corresponding period ended 30 June 2021, primarily due to higher energy payments recorded from TBP and TBE on the back of the higher ACP.

The Group recorded higher profit before taxation of RM294.8 million, a slight increase of 2.9% from RM286.4 million reported in the corresponding period ended 30 June 2021, primarily due to higher contribution from TBP given the higher ACP, lower net finance costs as well as higher contributions from foreign investments in associates and joint ventures. However, these were partially offset by lower contribution from TBE impacted by the reduction in capacity income following plant outage caused by Low-Pressure Turbine blade failure coupled with higher operation and maintenance costs.

16. Variation of results against immediate preceding quarter**Quarter 2, 2022 vs Quarter 1, 2022**

The Group recorded higher profit before taxation of RM196.6 million in current quarter compared with RM98.2 million in the immediate preceding quarter, primarily attributed to higher contribution from TBP given the higher ACP as well as higher contribution from TBE after plant resumed operation on 14 February 2022 with a slight reduction in capacity due to plant outage caused by Low-Pressure Turbine blade failure.

17. Current prospects

Bank Negara Malaysia (“BNM”) expects Malaysia’s Gross Domestic Product (“GDP”) for this year to be on the upper end of the range of 5.3% to 6.3%, given the stronger GDP growth in the first half of 2022 at 6.9%. The Ministry of Finance had also recently stated that the country is on track to achieve the GDP growth targets and remains cognisant of the risks and challenges such as the rising global inflation as commodity prices continue to increase and supply chain disruption due to the ongoing Russia-Ukraine conflict.

Under the Malaysian Renewable Energy Roadmap (“MyRER”), the country’s transition towards a low carbon energy system has been clearly outlined with a plan to achieve 40% Renewable Energy (“RE”) by 2035 by increasing the share of four key RE resources, namely solar, biomass, biogas and hydro power.

As part of the Group’s commitment to achieve Net Zero Carbon Emissions by 2050, Malakoff has made good progress in its decarbonisation initiatives across its operations. Earlier this year, Malakoff signed a Memorandum of Understanding (“MoU”) with ITOCHU Corporation to conduct a feasibility study involving the development of an ammonia receiving terminal and the decarbonisation of coal-fired power plants owned by Malakoff through ammonia co-firing, and the development of a new combined cycle gas turbine power plant utilising high hydrogen content fuel.

In the Environmental Solutions segment, Alam Flora Environmental Solutions Sdn. Bhd. (“AFES”), a wholly owned subsidiary of Alam Flora Sdn. Bhd. signed an MoU with PETRONAS Chemicals Group Berhad (“PCG”) on 30 June 2022 to supply plastic waste for PCG to produce product for circular economy. AFES will also supply organic and food waste for research and development of high-value fertilisers for sustainable agriculture.

Based on the foregoing, the Group expects overall performance to remain satisfactory for the financial year ending 31 December 2022.

18. Profit before tax

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

	3 months ended 30.6.2022	3 months ended 30.6.2021	Cumulative 6 months ended 30.6.2022	Cumulative 6 months ended 30.6.2021
	RM’mil	RM’mil	RM’mil	RM’mil
Finance income	(23.2)	(31.4)	(47.1)	(60.1)
Finance costs	155.9	172.0	313.5	343.2
Depreciation	228.3	227.2	460.1	452.5
Amortisation of intangibles assets	79.8	79.9	158.8	159.0
Impairment loss on financial instruments	6.1	6.1	12.2	12.2
Net foreign exchange loss	0.1	0.1	0.1	0.1

19. Profit forecast or profit guarantee

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

20. Tax expense

	3 months ended 30.6.2022	3 months ended 30.6.2021	Cumulative 6 months ended 30.6.2022	Cumulative 6 months ended 30.6.2021
	RM'mil	RM'mil	RM'mil	RM'mil
Current tax expense	92.1	70.3	156.1	125.0
Deferred tax expense	(27.9)	(10.5)	(63.5)	(42.4)
Total tax expense	<u>64.2</u>	<u>59.8</u>	<u>92.6</u>	<u>82.6</u>

The Group's effective tax rate for the current financial quarter was higher than the statutory income tax rate primarily due to certain expenses not deductible for tax purposes and effect from a one-off prosperity tax.

21. Borrowings

	30.6.2022	31.12.2021
	RM'mil	RM'mil
Current		
- Secured	<u>1,057.7</u>	<u>1,258.9</u>
Non-current		
- Secured	8,478.7	8,556.9
- Unsecured	<u>30.0</u>	<u>30.0</u>
	<u>8,508.7</u>	<u>8,586.9</u>
	<u>9,566.4</u>	<u>9,845.8</u>

The breakdown of Group borrowings by currency is as follows:

	30.6.2022	31.12.2021
	RM'mil	RM'mil
Functional currency		
- RM	9,324.0	9,575.1
- USD	<u>242.4</u>	<u>270.7</u>
	<u>9,566.4</u>	<u>9,845.8</u>

22. Changes in material litigation

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

There were no material changes during the quarter under review.

- 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”) (collectively “Respondents”) in relation to Souk Tleta Seawater Desalination Plant in Tlemcen, Algeria*

In response to AEC’s Statement of Claim dated 2 August 2021, MCB and TDIC had on 17 December 2021 filed their Statement of Defence, together with technical, quantum / financial and legal expert reports, refuting AEC’s claims.

On 13 January 2022, Hyflux submitted a request for suspension of the arbitration in view of its liquidation process in Singapore. Upon consideration of the request and the responses from AEC as well as MCB and TDIC, the Arbitral Tribunal on 8 February 2022 decided to reject Hyflux’s request and order the arbitration to continue.

On 1 April 2022, AEC wrote to MCB and TDIC requesting for a postponement of the procedural calendar which MCB and TDIC agreed to on 6 April 2022 and was acknowledged by the Tribunal on 7 April 2022. Hyflux conveyed their non objection to AEC’s request on 8 April 2022.

On 19 April 2022, AEC provided its Statement of Reply dated 15 April 2022, its accompanying expert reports: 1) two technical expert reports, 2) one legal expert report, and 3) one quantum expert report, and exhibits to MCB/TDIC. MCB/TDIC had until 29 July 2022 to provide their rejoinder to AEC’s Statement of Reply.

On 29 July 2022, MCB and TDIC filed their Rejoinder to AEC’s Statement of Reply.

To date, TDIC and MCB are not aware of whether Hyflux has filed, or will be filing, a Rejoinder.

- iii) *Singapore International Arbitration Centre Arbitration No. 278 of 2018 Claim 1 (formerly Main Action) between Prai Power Sdn Bhd (“PPSB”) (as Claimant) and (1) GE Energy Parts, Inc (“GE Energy Parts”), (2) GE Power Systems (Malaysia) Sdn Bhd (“GE Power Systems”), (3) General Electric International, Inc (“GE International”), and (4) General Electric Company (“GE”) (collectively “GE Entities”) (as Respondents); and Claim 2 (formerly Third Party Claim) between GE Entities (as Claimants) and (1) Malakoff Power Berhad (“MPB”), and (2) Malakoff Corporation Berhad (“MCB”) (collectively “Malakoff Entities”) (as Respondents), in relation to Prai Power Plant*

Following discussions among the parties to both Claim 1 and Claim 2, PPSB has on 3 January 2022 written to the Arbitral Tribunal to seek its approval of parties’ proposed revisions to the procedural timetable in the arbitration. Parties are awaiting the Arbitral Tribunal’s approval of the revisions to the procedural timetable.

On 2 March 2022, the Tribunal has fixed 27 February-3 March 2023, 6-10 March 2023, and 13-15 March 2023 as new dates for the merits hearing. On 12 April 2022, the Tribunal approved the deadlines extensions sought by the parties. The revised pre-hearing deadlines are as follows:

- (a) Filing of Witness Statements on 15 April 2022 (revised);
- (b) Filing of Reply Witness Statements on 24 June 2022 (revised);
- (c) Filing of Rebuttal Witness Statements and Exchange of Notice of Areas of Testimony of Expert Witnesses on 29 July 2022 (revised);
- (d) Filing of Experts Report on 5 September 2022;
- (e) Filing of Rebuttal Expert Reports on 31 October 2022;
- (f) Filing of Joint Expert Report(s) on 19 December 2022;
- (g) Filing of Agreed Chronology of Events, Agreed Dramatis Personae, Agreed Statement of Facts, Bundle of Witness Statements/Expert Reports, Core Bundle of Documents, and Common Bundle of Documents on 16 January 2023; and
- (h) Filing of List of Principal Issues, Written Opening Statements, and Bundle of Authorities on 30 January 2023.

On 15 April 2022, the Parties filed their respective Witness Statements and the next step in the arbitration is for the parties to file their respective Reply Witness Statements on 24 June 2022.

As of 1 August 2022, the prevailing pre-hearing deadlines, taking into account various extensions agreed by the parties and approved by the Tribunal, are as follows:

- (a) Filing of Witness Statements on 15 April 2022 (revised), which has been completed;
- (b) Filing of Reply Witness Statements on 24 June 2022 (revised), which has been completed;
- (c) Filing of Rebuttal Witness Statements and Exchange of Notice of Areas of Testimony of Expert Witnesses on 29 July 2022 (revised) and has been extended to 5 August 2022, which are the immediate next steps in the Arbitration;
- (d) Filing of Experts Report on 5 September 2022;
- (e) Filing of Rebuttal Expert Reports on 31 October 2022;
- (f) Filing of Joint Expert Report(s) on 19 December 2022;
- (g) Filing of Agreed Chronology of Events, Agreed Dramatis Personae, Agreed Statement of Facts, Bundle of Witness Statements/Expert Reports, Core Bundle of Documents, and Common Bundle of Documents on 16 January 2023; and
- (h) Filing of List of Principal Issues, Written Opening Statements, and Bundle of Authorities on 30 January 2023.

23. Dividend Payable

The Directors recommend the payment of an interim dividend of 2.80 sen per ordinary share in respect of the financial year ending 31 December 2022. The interim dividend will be paid on 27 October 2022 to shareholders registered on the Company's Register of Members at the close of business on 29 September 2022.

In the corresponding quarter ended 30 June 2021, the Directors recommended the payment of an interim dividend of 3.10 sen per ordinary shares in respect of the financial year ended 31 December 2021. The interim dividend was paid on 20 October 2021.

24. Earnings per ordinary share

	3 months ended 30.6.2022	3 months ended 30.6.2021	Cumulative 6 months ended 30.6.2022	Cumulative 6 months ended 30.6.2021
Basic/Diluted Earnings per Ordinary Share				
Profit for the period attributable to owners of the Company (RM mil)	119.1	117.7	170.0	178.2
Weighted average number of ordinary shares (mil)	4,887.0	4,887.0	4,887.0	4,887.0
Basic/diluted earnings per ordinary share (sen)	2.44	2.41	3.48	3.65

25. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 August 2022.

By Order of the Board
 Noor Raniz bin Mat Nor (MAICSA No.7061903)
 Secretary
 Kuala Lumpur
 23 August 2022