

The Board of Directors is pleased to announce the following:

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 30.09.2023	Corresponding quarter ended 30.09.2022 (Restated)	Current period ended 30.09.2023	Preceding period ended 30.09.2022 (Restated)
Revenue	13,466.1	12,961.8	39,414.9	37,952.6
Imbalance Cost Pass-Through under recovery	1,999.1	6,109.6	8,491.6	15,917.6
Operating expenses	(13,676.2)	(16,358.8)	(42,509.8)	(46,509.2)
Net reversal/(loss) on impairment of financial instruments	20.4	(48.1)	(32.1)	(128.3)
Other operating income	214.2	247.1	609.8	676.8
Operating profit	<u>2,023.6</u>	<u>2,911.6</u>	<u>5,974.4</u>	<u>7,909.5</u>
Foreign exchange				
- Translation gain/(loss)	62.9	(413.8)	(362.5)	(608.3)
- Transaction (loss)/gain	(58.3)	13.1	2.0	24.0
Share of results of joint ventures	3.9	8.2	9.4	19.0
Share of results of associates	10.5	23.2	26.3	83.5
Profit before finance cost	<u>2,042.6</u>	<u>2,542.3</u>	<u>5,649.6</u>	<u>7,427.7</u>
Finance income	155.2	57.4	411.7	179.9
Finance cost	(1,109.9)	(1,131.9)	(3,376.1)	(3,200.8)
Fair value changes of financial instruments	(32.4)	66.4	14.5	125.1
Profit before taxation and zakat	<u>1,055.5</u>	<u>1,534.2</u>	<u>2,699.7</u>	<u>4,531.9</u>
Taxation and zakat	(178.1)	(561.5)	(620.5)	(1,782.4)
Profit for the period	<u>877.4</u>	<u>972.7</u>	<u>2,079.2</u>	<u>2,749.5</u>
Profit attributable to:				
- Owners of the Company	856.2	888.9	2,186.4	2,654.2
- Non-controlling interests	21.2	83.8	(107.2)	95.3
Profit for the period	<u>877.4</u>	<u>972.7</u>	<u>2,079.2</u>	<u>2,749.5</u>
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	14.85	15.50	37.91	46.29
Diluted	14.85	15.41	37.91	46.00

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 30.09.2023	Corresponding quarter ended 30.09.2022	Current period ended 30.09.2023	Preceding period ended 30.09.2022
Profit for the period	877.4	972.7	2,079.2	2,749.5
Other comprehensive (expense)/income				
Item that will not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial (loss)/gain	(135.3)	(113.4)	(844.0)	815.4
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(62.2)	(161.5)	372.8	(386.1)
Financial assets at fair value through other comprehensive income ('FVOCI')	(0.8)	9.0	(13.8)	11.1
Share of other comprehensive (expense)/income ('OCI') of associates accounted for using the equity method	(5.4)	(180.8)	116.2	(208.4)
Total other comprehensive (expense)/income	(203.7)	(446.7)	(368.8)	232.0
Total comprehensive income for the period	673.7	526.0	1,710.4	2,981.5
Attributable to:				
- Owners of the Company	665.7	447.4	1,821.0	2,871.3
- Non-controlling interests	8.0	78.6	(110.6)	110.2
Total comprehensive income for the period	673.7	526.0	1,710.4	2,981.5

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

(Amounts in RM million unless otherwise stated)

	30.09.2023	31.12.2022
NON-CURRENT ASSETS		
Property, plant and equipment	118,357.4	116,577.1
Right-of-use assets	34,811.0	37,405.1
Joint ventures	227.8	249.5
Associates	1,497.7	1,429.7
Intangible assets	1,413.9	593.6
Investment in unquoted debt security	259.3	253.4
Tax recoverable	3,522.4	3,522.4
Deferred tax assets	286.9	377.5
Long term receivables	544.3	250.5
Finance lease receivables	6.4	7.4
Financial assets at FVOCI	56.9	70.7
Contract cost assets	2.5	1.3
Financial assets at fair value through profit or loss ('FVTPL')	55.6	55.6
Derivative financial instruments	120.3	72.3
	<u>161,162.4</u>	<u>160,866.1</u>
CURRENT ASSETS		
Inventories	2,313.7	3,290.8
Receivables, deposits and prepayments	13,421.5	22,827.0
Contract assets	4,485.2	3,825.9
Contract cost assets	228.9	165.5
Tax recoverable	1,284.9	1,207.5
Finance lease receivables	1.1	1.2
Amounts due from joint ventures	26.2	44.6
Amounts due from associates	455.8	659.1
Derivative financial instruments	-	0.2
Financial assets at FVTPL	2,999.1	8,141.0
Deposits, bank and cash balances	15,595.9	4,893.4
	<u>40,812.3</u>	<u>45,056.2</u>
CURRENT LIABILITIES		
Payables	(11,636.7)	(11,509.7)
Contract liabilities	(465.9)	(573.4)
Derivative financial instruments	(0.3)	(2.9)
Lease liabilities	(3,101.6)	(3,140.5)
Amounts due to associates	(432.2)	(777.6)
Current tax liabilities	(100.4)	(187.9)
Employee benefits	(592.4)	(592.5)
Consumer deposits	(7,956.7)	(7,550.6)
Short term borrowings	(7,002.4)	(13,262.2)
	<u>(31,288.6)</u>	<u>(37,597.3)</u>
NET CURRENT ASSETS	9,523.7	7,458.9
NON-CURRENT LIABILITIES		
Borrowings	(54,224.3)	(50,620.0)
Derivative financial instruments	(1.4)	(2.3)
Contract liabilities	(5,216.0)	(4,783.1)
Government development grants	(879.8)	(875.4)
Lease liabilities	(28,214.8)	(30,137.9)
Deferred tax liabilities	(8,740.9)	(8,820.3)
Other liabilities	(1,201.7)	(1,154.1)
Employee benefits	(11,923.1)	(10,965.7)
	<u>(110,402.0)</u>	<u>(107,358.8)</u>
TOTAL NET ASSETS	<u>60,284.1</u>	<u>60,966.2</u>
EQUITY		
Share capital	12,499.5	12,204.3
Other reserves	(6,954.9)	(6,463.3)
Retained profits	52,425.0	52,776.1
CAPITAL AND RESERVES ATTRIBUTABLE TO		
OWNERS OF THE COMPANY	57,969.6	58,517.1
NON-CONTROLLING INTERESTS ('NCI')	2,314.5	2,449.1
TOTAL EQUITY	<u>60,284.1</u>	<u>60,966.2</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

**C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**
(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company				Total equity
	Ordinary shares	Other reserves	Retained profits	Non-controlling interest	
At 1 January 2023	12,204.3	(6,463.3)	52,776.1	2,449.1	60,966.2
Profit for the financial period	-	-	2,186.4	(107.2)	2,079.2
Foreign currency translation differences	-	367.3	-	5.5	372.8
Fair value changes of financial assets at FVOCI	-	(13.8)	-	-	(13.8)
Share of OCI of associates accounted for using the equity method	-	116.2	-	-	116.2
Defined benefit plan actuarial loss	-	(835.1)	-	(8.9)	(844.0)
Total comprehensive (loss)/income for the period	-	(365.4)	2,186.4	(110.6)	1,710.4
Long Term Incentive Plan ('LTIP') :					
- Share-based payment expense	-	202.2	-	-	202.2
- Reversal of share-based payment expense	-	(33.2)	-	-	(33.2)
- Shares issued	295.2	(295.2)	-	-	-
Dividends:					
- Final dividend paid for FY2022	-	-	(1,495.8)	-	(1,495.8)
- Interim dividend for FY2023	-	-	(1,041.7)	-	(1,041.7)
Redemption of Redeemable Preference Shares by NCI	-	-	-	(24.0)	(24.0)
Total transactions with owners	295.2	(126.2)	(2,537.5)	(24.0)	(2,392.5)
At 30 September 2023	12,499.5	(6,954.9)	52,425.0	2,314.5	60,284.1
At 1 January 2022	11,927.6	(6,813.3)	51,494.1	1,784.0	58,392.4
Profit for the financial period	-	-	2,654.2	95.3	2,749.5
Foreign currency translation differences	-	(374.3)	-	(11.8)	(386.1)
Fair value changes of financial assets at FVOCI	-	11.1	-	-	11.1
Share of OCI of associates accounted for using the equity method	-	(208.4)	-	-	(208.4)
Defined benefit plan actuarial gain	-	788.7	-	26.7	815.4
Total comprehensive income for the period	-	217.1	2,654.2	110.2	2,981.5
LTIP:					
- Share-based payment expense	-	224.6	-	-	224.6
- Reversal of share-based payment expense	-	(36.5)	-	-	(36.5)
- Shares issued	276.7	(276.7)	-	-	-
Dividends:					
- Final dividend paid for FY2021	-	-	(1,030.7)	-	(1,030.7)
- Interim dividend for FY2022	-	-	(1,150.6)	-	(1,150.6)
Dividends paid to NCI	-	-	-	(17.7)	(17.7)
Increase in equity shares of NCI	-	-	-	15.7	15.7
Conversion to NCI equity	-	-	-	626.8	626.8
Redemption of Redeemable Preference Shares by NCI	-	-	-	(73.5)	(73.5)
Total transactions with owners	276.7	(88.6)	(2,181.3)	551.3	(1,441.9)
At 30 September 2022	12,204.3	(6,684.8)	51,967.0	2,445.5	59,932.0

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

(Amounts in RM million unless otherwise stated)

	FY2023 ended 30.09.2023	FY2022 ended 30.09.2022
Cash flows from operating activities		
Cash generated from operations	22,691.8	4,478.1
Post-employment benefits paid	(656.6)	(604.2)
Contract liabilities received	770.5	598.7
Consumer deposits received	259.5	275.0
Net taxation and zakat paid	(757.4)	(727.1)
Net cash flows generated from operating activities	<u>22,307.8</u>	<u>4,020.5</u>
Cash flows from investing activities		
Acquisition of a subsidiary net of cash and cash equivalent	(1,183.5)	(710.8)
Additional investments in:		
- Financial assets at FVTPL	(28,541.2)	(67,795.7)
- Joint venture	(0.2)	-
Proceeds from redemptions:		
- Investment in unquoted debt security	-	50.0
- Redeemable Preference Shares ('RPS') in associates	-	2.6
Disposals of financial assets at FVTPL	33,867.6	62,207.9
Dividend income received	163.7	81.4
Finance income received	293.7	85.7
Property, plant and equipment:		
- Additions	(6,264.2)	(5,308.8)
- Proceeds from disposals	11.8	21.3
Proceeds from disposals of right-of-use assets	2.1	8.0
Additions of intangible assets	-	(145.8)
Net cash flows used in investing activities	<u>(1,650.2)</u>	<u>(11,504.2)</u>
Cash flows from financing activities		
Government development grants received	4.4	11.8
Borrowings:		
- Drawdowns	5,803.0	16,881.1
- Repayments	(9,344.7)	(6,184.0)
Finance cost paid	(2,005.2)	(1,862.1)
Repayments of lease obligations:		
- Principal	(1,641.7)	(1,577.7)
- Interest	(1,242.2)	(1,219.8)
Dividends paid to shareholders	(1,495.8)	(1,030.7)
Dividends paid to NCI	-	(17.7)
Redemption of RPS by NCI	(24.0)	(73.5)
Net increase in debt reserve accounts	(38.9)	(162.2)
Net decrease in cash at bank, held in trust	40.0	37.5
Net decrease in restricted cash	0.6	-
Net increase in deposits maturing more than 90 days	(374.6)	(345.6)
Net cash flows (used in)/generated from financing activities	<u>(10,319.1)</u>	<u>4,457.1</u>
Net increase/(decrease) in cash and cash equivalents	10,338.5	(3,026.6)
Effects of changes in foreign currency	(8.9)	1.6
Cash and cash equivalents at the beginning of the period	<u>4,056.1</u>	<u>5,634.9</u>
Cash and cash equivalents at the end of the period	<u>14,385.7</u>	<u>2,609.9</u>
Deposit, bank and cash balances at the end of the period	15,595.9	4,151.4
Debt reserve account ¹	(192.6)	(311.8)
Cash at bank, held in trust ²	(225.6)	(286.4)
Restricted cash	(7.9)	(1.3)
Deposits maturing more than 90 days	(784.1)	(942.0)
Cash and cash equivalents at the end of the period	<u>14,385.7</u>	<u>2,609.9</u>

¹ Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.

² The cash at bank held in trust is in respect of grants received from the Government by a subsidiary for designated capital projects.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These condensed interim financial statements of the Group have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') 134 'Interim Financial Reporting', International Accounting Standards ('IAS') 34 'Interim Financial Reporting' and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2) AUDIT QUALIFICATION

The audited financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

3) CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those adopted for the financial statements for the financial year ended 31 December 2022.

New standard and amendments to standards that are applicable and effective to the Group beginning 1 January 2023 are as follows:

- a) MFRS 17 Insurance Contracts
- b) Amendments to MFRS 101 Presentation of Financial Statements on Classification of Liabilities as Current or Non-current
- c) Amendments to MFRS 101 Presentation of Financial Statements on Disclosure of Accounting Policies
- d) Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors on Definition of Accounting Estimates
- e) Amendments to MFRS 112 Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- f) Amendments to MFRS 112 Income Taxes related to International Tax Reform – Pillar Two Model Rules

The adoption of the new standard and amendments to the standards do not have any significant impact to the unaudited Condensed Consolidated Financial Statements upon their initial application.

4) REVENUE

The disaggregation of revenue is as follows:

	Current quarter ended 30.09.2023	Individual Corresponding quarter ended 30.09.2022 (Restated)	Current period ended 30.09.2023	Cumulative Preceding period ended 30.09.2022 (Restated)
Sales:				
- Electricity	13,149.9	12,653.7	38,466.4	37,128.1
- Goods and services	214.0	201.3	621.8	514.5
Construction contracts	31.3	38.6	115.2	105.9
Customers' contributions	70.9	68.2	211.5	204.1
Total revenue	13,466.1	12,961.8	39,414.9	37,952.6

5) SEASONAL OR CYCLICAL FACTORS

The businesses of the Group are not subject to material seasonal or cyclical fluctuations.

6) UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

7) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no material changes in the estimates of the amounts reported in the previous financial period that have a material effect on the results of the current reporting period.

8) DEBT AND EQUITY SECURITIES

Except for those disclosed in Note 23, there were no other material transactions relating to debts and equity securities during the quarter under review.

9) DIVIDENDS

The Board of Directors has not recommended any dividend for the quarter ended 30 September 2023.

The final single tier dividend for Financial Year 2022 was paid on 14 April 2023 totalling RM1,495.8 million.

The interim dividend for Financial Year 2023 was paid on 17 October 2023 totalling RM1,041.7 million.

10) SEGMENTAL REPORTING

Segmental reporting is not presented as the Group is principally engaged in the generation, transmission, distribution and sales of electricity and the provision of other related services, which are substantially within a single business segment. The Group operates primarily in Malaysia.

11) VALUATION OF PROPERTY, PLANT & EQUIPMENT

The Group does not adopt a revaluation policy on its property, plant and equipment.

12) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 17 November 2023, the Group has entered into a Settlement Agreement for an amount of USD28.5 million as consideration for its entire 30.0% equity shares held in an associate, GMR Energy Limited ('GEL'). The fund was received on 21 November 2023 and the transaction is expected to complete in Quarter 4 of FY2023. Upon completion of the transaction, GEL will cease to become an associate of the Group.

13) CHANGES IN THE COMPOSITION OF THE GROUP

On 20 September 2023, the Group, through its newly incorporated wholly owned subsidiaries in Australia, Stone HoldCo Pty Ltd and Stone BidCo Pty Ltd, completed an acquisition of a 100% stake in Spark Renewables Pty Ltd and its subsidiaries ('Spark Renewables'), a solar farm with a combined of solar and wind development pipelines and Battery Energy Storage System in Australia for a total consideration of AUD391.9 million. The total consideration was paid through cash drawn from a financing facility raised in the country concerned.

The Group has assessed and recognised Spark Renewables as subsidiaries of the Group. The purchase price allocation, including the determination of the provisional goodwill amount, is in progress.

14) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:

	As at 30.09.2023	As at 31.12.2022
Claims by third parties	297.8	342.3
Trade guarantees and performance bonds	51.0	51.0
Total contingent liabilities	348.8	393.3

Claims by third parties include claims by contractors and consumers. These claims are being addressed and the Directors are of the opinion that their ultimate resolution will not have a material effect on the financial position of the Group.

(a) Tenaga Nasional Berhad

On 7 December 2016, Tenaga Nasional Berhad ('TNB') and the Inland Revenue Board ('IRB') entered into a consent judgement before the Kuala Lumpur High Court to substitute the judicial review proceedings with regard to the notices of additional assessment dated 23 November 2015 ('Notices') for the Years of Assessment ('YA') 2013 and 2014 arising from the disallowance of TNB's reinvestment allowance ('RA') claims by filing an appeal to the Special Commissioners of Income Tax ('SCIT').

The consent judgement also provides that the IRB will not commence any proceedings relating to the Notices until this matter is determined by the SCIT and by the High Court, if there is a subsequent appeal by either party. On 15 December 2016, TNB filed notices of appeal against the Notices to the SCIT according to Section 99(1) of the Income Tax Act 1967. The appeals have since been registered before the SCIT.

Meanwhile, for the notices of additional assessment issued for the YAs 2015, 2016 and 2017, on 30 December 2020, both TNB and IRB have recorded a consent order. Pursuant to the consent order, the Court has granted a stay of proceedings against the enforcement of the IRB's notices of additional assessment until the disposal of the judicial review application. Subsequently, the High Court has fixed the decision date on 22 August 2023.

14) CONTINGENT LIABILITIES (CONTINUATION)

(a) Tenaga Nasional Berhad (Continuation)

The High Court on 22 August 2023 allowed TNB's judicial review application to set aside the notices for the YAs 2015, 2016 and 2017. The High Court agreed with the submission of TNB's legal counsel that TNB is in the business of manufacturing electricity and as such, TNB is entitled to claim reinvestment allowance on the capital expenditure which was incurred in the YAs 2015, 2016 and 2017 in the course of expanding, modernising and automating its business. Pursuant to the notice of appeal filed by the IRB on 25 August 2023 and case management on 23 November 2023, the Court of Appeal fixed a case management on 24 January 2024 for the IRB to update the Court of Appeal on the status of the records of appeal.

With regards to the notice of additional assessment for the YA 2018, on 21 January 2021, both TNB and IRB have recorded a consent order. Pursuant to the consent order, the High Court has granted a stay of proceedings against the enforcement of the IRB's notice of additional assessment. Subsequently on 13 January 2022, the High Court heard TNB's judicial review application and on 8 February 2022, the High Court had allowed with cost, TNB's judicial review application to set aside the IRB's notice of additional assessment dated 13 July 2020 for YA 2018. The High Court agreed with TNB's submission that TNB is in the business of manufacturing electricity and as such, TNB is entitled to claim RA on the capital expenditure which was incurred in YA 2018 in the course of expanding, modernising and automating TNB's business. Separately on 8 February 2022, the IRB had filed a notice of appeal before the Court of Appeal against the decision of the High Court. The Court of Appeal had fixed hearing date on 06 February 2024.

TNB has obtained legal advice from its tax solicitors on the merits of the cases mentioned above and on this basis, the Directors are of the opinion that no provision is required in the financial statements for the potential tax liability up to the reporting date.

Notwithstanding TNB's tax litigation matter, the Company continued to claim the RA for YAs 2020, 2021, 2022 and 2023.

(b) Southern Power Generation Sdn Bhd ('SPG')

SPG received notices of assessment ('Notices') for YAs 2017, 2018, 2019, 2020 and 2021 which were all dated 26 May 2023 by the IRB amounting in aggregate to RM78.5 million.

On 6 June 2023, SPG has filed a judicial review against the IRB at the High Court to challenge the matters arising from the said Notices. Subsequently, on 14 September 2023, the High Court granted leave to SPG to commence Judicial Review against the IRBM and granted an interim stay of all further proceedings including the enforcement of the Notices until the substantive hearing which has been fixed on 11 January 2024.

SPG has obtained legal advice from its tax solicitors on the merits of the cases mentioned above and on this basis, SPG is of the opinion that no provision is required for the potential tax liability up to the reporting date.

15) CAPITAL COMMITMENTS

	As at 30.09.2023	As at 31.12.2022
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	47,960.8	57,417.0
Contracted but not provided for in the financial statements	790.1	604.1
Total capital commitments	48,750.9	58,021.1

F. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS

16) REVIEW OF PERFORMANCE

- (a) Performance of the current period ended 30 September 2023 against the corresponding period ended 30 September 2022:

Revenue for the period increased by 3.9% or RM1,462.3 million mainly due to the higher sales of electricity of RM1,338.3 million, up by 3.6% against the corresponding period with demand growth of 2.7%.

Operating profit for the current period decreased by 24.5% or RM1,935.1 million due to the lower Imbalanced Cost Pass-Through ('ICPT') under recovery recognised in the current period by 46.7% or RM7,426.0 million. This was offset by lower operating expenses of RM42,509.8 million from RM46,509.2 million, lower by 8.6% or RM3,999.4 million which mainly due to lower generation costs.

Despite the lower tax provisions recognised in the current period, profit after taxation for the current period under review decreased by 24.4% or RM670.3 million, from RM2,749.5 million reported in the corresponding period to RM2,079.2 million. This was mainly contributed by negative fuel margins during the current period and higher finance cost.

- (b) Performance of the current third quarter (three months) FY2023 against the corresponding third quarter (three months) FY2022:

Revenue for the quarter under review increased from RM12,961.8 million to RM13,466.1 million, resulted from higher sales of electricity by 3.9% or RM496.2 million.

Operating profit for the current quarter decreased by 30.5% or RM888.0 million due to the lower ICPT under recovery recognised in the current quarter of RM1,999.1 million as compared to RM6,109.6 million in the last corresponding quarter, offset by lower operating expenses of RM2,682.6 million.

Profit after taxation for the current quarter under review reduced by RM95.3 million or 9.8%, from RM972.7 million reported during the last corresponding quarter to RM877.4 million. This was due to negative fuel margins and cushioned by lower tax expenses and gain in foreign exchange translation.

17) MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER

- Performance of the current quarter (3rd Quarter FY2023) against the preceding quarter (2nd Quarter FY2023):

The Group reported higher profit after tax of RM877.4 million in the current quarter as compared to RM270.9 million in the preceding quarter, an increase of RM606.5 million. This is mainly due to foreign exchange translation gain and net reversal on impairment of financial instruments.

18) PROSPECTS

For the period ended 30 September 2023, the Group electricity demand grew by 2.7% in line with Malaysia's Gross Domestic Product (GDP) expansion of 3.3%*. However, the earnings were impacted by negative fuel margin and foreign exchange volatility. Despite the challenging global environment, the Group reported a fair performance. The Group's receivables and working capital position have improved, supported by good collection rate and easing pressure on coal prices.

As the overall economy is projected to grow at 4%* for the year, the Group foresees a stable performance and will continue to remain cautious on the impact of fuel prices and currency volatility on its earnings.

The Group will continue to take prudent measures in managing its operational and financial requirements to ensure it remains resilient.

*Source: Bank Negara Malaysia

19) PROFIT FROM OPERATIONS

The following items have been charged in arising at the profit from operations:

	Individual Current quarter ended 30.09.2023	Cumulative Current period ended 30.09.2023
Property, plant and equipment:		
- Depreciation	(1,908.3)	(5,735.7)
- Gain on disposals	1.0	10.0
Right-of-use assets:		
- Depreciation	(862.8)	(2,632.7)
- Gain on disposals	0.8	2.1
Receivables:		
- Impairment losses	(5.0)	(113.6)
- Reversal of impairment losses	26.6	102.8
Contract assets:		
- Impairment losses	-	(25.2)
- Reversal of impairment losses	3.7	21.7
Amounts due from joint ventures:		
- Impairment losses	(6.7)	(8.0)
- Reversal of impairment losses	-	1.4
Inventories:		
- Provision for obsolescence	(8.8)	(44.5)
- Write back of obsolescence	3.3	47.8
- Written off	(19.9)	(58.7)
Investment in unquoted debt securities		
- Impairment losses	(3.1)	(9.1)
- Reversal of impairment losses	6.0	6.0
Investment in joint venture		
- Impairment losses	-	(0.8)
Investment in associate		
- Impairment losses	(4.7)	(4.7)

Other than the items highlighted above, there were no material disposal of quoted investment and impairment of property, plant and equipment during the quarter under review.

20) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable, as the Group did not publish any profit forecast.

21) TAXATION AND ZAKAT

Taxation and zakat for the reporting period comprised the following:

	Current quarter ended 30.09.2023	Individual Corresponding quarter ended 30.09.2022	Current period ended 30.09.2023	Cumulative Preceding period ended 30.09.2022
Income tax:				
Current tax and zakat	(204.9)	(515.3)	(631.6)	(1,661.1)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	26.8	(46.2)	11.1	(121.3)
Total taxation and zakat	(178.1)	(561.5)	(620.5)	(1,782.4)

For the reporting period ended 30 September 2023, the Group recorded a 23.0% effective tax rate.

22) STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals entered into during the reporting period other than those announced to Bursa Malaysia since the date of the last audited financial statements.

23) GROUP BORROWINGS

- (a) The analysis of Group borrowings classified under current and non-current categories are as follows:

	As at 30.09.2023	As at 31.12.2022
Short term - secured	2,142.5	1,708.0
- unsecured	4,859.9	11,554.2
Sub-total	7,002.4	13,262.2
Long term - secured	23,792.3	22,742.4
- unsecured	30,432.0	27,877.6
Sub-total	54,224.3	50,620.0
Total	61,226.7	63,882.2

- (b) Currency denominations:

	As at 30.09.2023	As at 31.12.2022
United States Dollar	9,120.7	8,496.8
Great Britain Pound	3,462.9	3,161.1
Japanese Yen	1,610.9	1,812.4
Australian Dollar	1,351.5	-
Total Ringgit equivalent of foreign currency borrowings	15,546.0	13,470.3
Ringgit borrowings	45,680.7	50,411.9
Total	61,226.7	63,882.2

- (c) Effective average cost of borrowing based on exposure as at 30 September 2023 was 4.78% (31 December 2022: 4.63%).
- (d) Repayments of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM294.8 million; and
 - (ii) Ringgit denominated loans of RM9,049.9 million.
- (e) Drawdowns of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM1,601.8 million; and
 - (ii) Ringgit denominated loans of RM4,201.2 million.

24) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 30.09.2023	
	Notional Amount	Fair value
Forward Foreign Currency Contracts		
- Spot	40.0	(0.2)
- Less than 1 year	58.2	(0.1)
- More than 3 years	216.5	30.5
Interest Rate Swap Contracts		
- More than 3 years	772.1	81.3
Profit Rate Swap Contracts		
- More than 3 years	314.2	7.1
Total	1,401.0	118.6

The notional amount and fair value of all forward contracts are disclosed on a net basis. There is no change to the cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks since the last financial year.

The Interest Rate Swap ('IRS') and Profit Rate Swap ('PRS') entered into by subsidiaries are to effectively fix the interest and profit rate payable on the term loans.

25) MATERIAL LITIGATION

There is no pending material litigation other than those announced to Bursa Malaysia since the date of the last audited financial statements.

26) EARNINGS PER SHARE

	Individual		Cumulative	
	Current quarter ended	Corresponding quarter ended	Current period ended	Preceding period ended
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to owners of the Company	856.2	888.9	2,186.4	2,654.2
Weighted average number of ordinary shares in issue ('000)	5,766,623	5,733,505	5,766,623	5,733,505
Basic earnings per share (sen)	14.85	15.50	37.91	46.29
Weighted average number of ordinary shares in issue ('000)	5,766,623	5,733,505	5,766,623	5,733,505
Adjustments for LTIP ('000)	-	36,448	-	36,448
Weighted average number of diluted ordinary shares ('000)	5,766,623	5,769,953	5,766,623	5,769,953
Diluted earnings per share (sen)	14.85	15.41	37.91	46.00

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

28) RESTATEMENT AND EFFECT OF CHANGE IN PRESENTATION

During Financial Year 2022, the Group changed the presentation of the consolidated statement of profit or loss to provide a better reflection on the business performance in respect of the under or over recovery of ICPT. It is now presented separately from revenue in the consolidated statement of profit or loss.

By Order of the Board

NORAZNI BINTI MOHD ISA
COMPANY SECRETARY
LS 0009635
SSM PRACTICING CERTIFICATE NO.: 201908000492

Kuala Lumpur
24 November 2023