Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Year Ended 31 December 2019

	3 months ended 31.12.2019 RM'000 (Unaudited)	3 months ended 31.12.2018 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2018 RM'000 (Audited)
Continuing operations				
Revenue	1,715,455	1,847,102	7,278,457	7,184,866
Cost of sales	(1,440,030)	(1,505,139)	(6,091,865)	(5,939,793)
Gross profit	275,425	341,963	1,186,592	1,245,073
Other income	603,282	2,513	683,176	100,579
Administrative expenses	(85,117)	(62,785)	(226,990)	(209,206)
Other operating expenses	(454,792)	(27,349)	(535,673)	(102,363)
Results from operating activities	338,798	254,342	1,107,105	1,034,083
Finance income	56,523	54,627	234,926	241,418
Finance costs	(203,222)	(204,571)	(840,907)	(868,834)
Net finance costs	(146,699)	(149,944)	(605,981)	(627,416)
Share of profit of equity-accounted associates and joint ventures, net of tax	(66,052)	36,506	(21,623)	83,675
Profit before tax	126,047	140,904	479,501	490,342
Income tax expense	(15,154)	(61,887)	(149,634)	(223,495)
Profit from continuing operations	110,893	79,017	329,867	266,847
Discontinued operations				
Profit from discontinued operations, net of tax	7,900	15,030	44,819	56,633
Profit for the period/year	118,793	94,047	374,686	323,480
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	(43)	(2,886)	(43)	(2,886)
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(34,546)	(2,344)	(68,192)	(43,685)
Share of gain/(loss) on hedging reserve of equity-accounted associates and joint ventures	34,038	(37,343)	(16,796)	53,788
Foreign currency translation differences for foreign operations	(22,307)	49,582	(18,766)	19,670
	(22,815)	9,895	(103,754)	29,773
Other comprehensive (expense)/income from continuing operations for the period/year	(22,858)	7,009	(103,797)	26,887
Discontinued operations				
Other comprehensive income/(expense) from discontinued operations, net of tax for the period/year	13,539	(25,425)	(39,939)	(78,572)
Total comprehensive income for the period/year	109,474	75,631	230,950	271,795

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Year Ended 31 December 2019

	3 months ended 31.12.2019 RM'000 (Unaudited)	3 months ended 31.12.2018 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2018 RM'000 (Audited)
Profit attributable to :				
Owners of the Company from:				
- Continuing operations	98,505	70,453	275,334	217,800
- Discontinued operations	7,900	15,030	44,819	56,633
	106,405	85,483	320,153	274,433
Non-controlling interests	12,388	8,564	54,533	49,047
Profit for the period/year	118,793	94,047	374,686	323,480
Total comprehensive income/(expense) attributable to :				
Owners of the Company from:				
- Continuing operations	75,647	77,462	171,537	244,687
- Discontinued operations	21,439	(10,395)	4,880	(21,939)
	97,086	67,067	176,417	222,748
Non-controlling interests	12,388	8,564	54,533	49,047
Total comprehensive income for the period/year	109,474	75,631	230,950	271,795
Earnings per ordinary share (sen)				
Basic/diluted				
- From continuing operations	2.02	1.44	5.63	4.41
- From discontinued operations	0.16	0.31	0.92	1.15
	2.18	1.75	6.55	5.56

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 31 December 2019

	As at 31.12.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	12,874,076	13,443,183
Investment properties	15,300	-
Concession assets	204,283	-
Intangible assets	3,490,922	3,074,174
Prepaid lease payments	-	59,094
Investments in associates	744,991	1,529,720
Investments in joint ventures	626,322	-
Other investments	21,515	16,248
Finance lease receivable	-	2,018,982
Derivative financial assets	327,643	412,576
Trade and other receivables	276,180	71,144
Deferred tax assets	146,498	143,363
Total non-current assets	18,727,730	20,768,484
Current assets		
Trade and other receivables	1,751,498	2,213,285
Inventories	693,058	760,804
Current tax assets	67,774	127,768
Finance lease receivable	-	14,103
Other investments	2,504,225	3,582,478
Cash and cash equivalents	2,750,640	1,515,147
Assets classified as held for sale	65,000	-
Total current assets	7,832,195	8,213,585
Total assets	**26,559,925**	**28,982,069**
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(97,606)
Reserves	153,180	131,744
Accumulated lossess	(265,027)	(82,425)
Equity attributable to owners of the Company	5,482,561	5,644,768
Perpetual sukuk	800,000	800,000
Non-controlling interests	368,905	219,686
Total equity	6,651,466	6,664,454
Non-current liabilities		
Loans and borrowings	10,889,063	13,315,158
Lease liabilities	11,622	-
Provision for concession assets	253,590	-
Employee benefits	130,558	128,264
Provision for decommissioning cost	111,524	96,214
Deferred income	3,661,066	3,858,668
Derivative financial liabilities	10,013	179,539
Deferred tax liabilities	1,294,770	1,350,705
Total non-current liabilities	16,362,206	18,928,548

Condensed Consolidated Statements of Financial Position
As at 31 December 2019

	As at 31.12.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Current liabilities		
Trade and other payables	1,593,747	1,343,938
Current tax liabilities	39,742	75,170
Loans and borrowings	1,509,082	1,885,274
Derivative financial liabilities	-	26,271
Lease liabilities	12,144	-
Provision for concession assets	197	-
Deferred income	391,341	58,414
Total current liabilities	3,546,253	3,389,067
Total liabilities	19,908,459	22,317,615
Total equity and liabilities	**26,559,925**	**28,982,069**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.12	1.15

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2019

	/---- 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	(82,425)	5,644,768	800,000	219,686	6,664,454
Adjustment on initial application of MFRS 16	-	-	-	-	(195)	(195)	-	-	(195)
At 1 January 2019, restated	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	-	-	-	-	(43)	(43)	-	-	(43)
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 for the year	-	-	(16,302)	37,738	(165,172)	(143,736)	-	-	(143,736)
Profit for the year	-	-	-	-	320,153	320,153	-	54,533	374,686
Comprehensive (expense)/income for the year	-	-	(16,302)	37,738	154,981	176,417	-	54,533	230,950
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	-	-	-	-	-	-	-	(76,646)	(76,646)
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	(265,027)	5,482,561	800,000	368,905	6,651,466

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2019

	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 2018	5,693,055	(1,641)	5,145	175,398	(20,464)	5,851,493	800,000	225,570	6,877,063
Remeasurement of defined benefit liability	-	-	-	-	(2,886)	(2,886)	-	-	(2,886)
Foreign currency translation differences for foreign operations	-	-	(1,495)	-	-	(1,495)	-	-	(1,495)
Cash flow hedge	-	-	-	(101,092)	-	(101,092)	-	-	(101,092)
Share of gain on hedging reserve of equity-accounted associates	-	-	-	53,788	-	53,788	-	-	53,788
Other comprehensive (expense)/income for the year	-	-	(1,495)	(47,304)	(2,886)	(51,685)	-	-	(51,685)
Profit for the year	-	-	-	-	274,433	274,433	-	49,047	323,480
Comprehensive (expense)/income for the year	-	-	(1,495)	(47,304)	271,547	222,748	-	49,047	271,795
Profit distribution of perpetual sukuk	-	-	-	-	(47,588)	(47,588)	-	-	(47,588)
Incorporation of subsidiaries	-	-	-	-	-	-	-	69	69
Dividends to owners of the Company	-	-	-	-	(285,920)	(285,920)	-	-	(285,920)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(55,000)	(55,000)
Total distribution to owners	-	-	-	-	(285,920)	(285,920)	-	(55,000)	(340,920)
Purchase of treasury shares	-	(95,965)	-	-	-	(95,965)	-	-	(95,965)
At 31 December 2018	5,693,055	(97,606)	3,650	128,094	(82,425)	5,644,768	800,000	219,686	6,664,454

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 December 2019

	12 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2018 RM'000 (Audited)
Cash flows from operating activities		
Profit before tax from:		
Continuing operations	479,501	490,342
Discontinued operations	51,403	68,831
	530,904	559,173
Adjustments for :		
Non-cash items	1,604,787	1,135,630
Finance costs	926,312	963,851
Finance income	(235,397)	(241,688)
Share of profit of equity-accounted associates and joint ventures, net of tax	21,623	(83,675)
Operating profit before changes in working capital	2,848,229	2,333,291
Changes in working capital:		
Net changes in current assets	395,396	208,036
Net changes in current liabilities	(825,502)	(359,312)
Net changes in non-current liabilities	138,767	307,675
Cash generated from operations	2,556,890	2,489,690
Income taxes paid	(350,060)	(476,572)
Net cash from operating activities	2,206,830	2,013,118
Cash flows from investing activities		
Additional investment in associates and joint ventures	(294,891)	(3,914)
Acquisition of a subsidiary, net of cash and cash equivalent acquired	(398,278)	-
Disposal of discontinued operations	976,431	-
Change in other investments	1,078,253	(940,649)
Dividends received from associates and joint ventures	160,954	28,603
Interest received	463,404	178,939
Other investment in Redeemable Cumulative Convertible Preference Shares	(5,267)	(16,248)
Proceeds from disposal of investment in associates	-	113,478
Proceeds from redemption on unsecured loan stocks	-	21,600
Redemption of unsecured loan stocks	-	(55,500)
Purchase of property, plant and equipment	(268,425)	(351,866)
Proceeds from disposal of property, plant and equipment	388	87
Net cash from/(used in) investing activities	1,712,569	(1,025,470)

Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 December 2019

	12 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2018 RM'000 (Audited)
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(47,071)	(47,588)
Dividends paid to the owners of the Company	(290,317)	(285,920)
Dividends paid to non-controlling interests	(76,646)	(55,000)
Interest paid	(794,010)	(837,807)
Proceeds from borrowings	-	1,456,714
Proceeds from issuance of shares to non-controlling interests	414	69
Purchase of treasury shares	(1,041)	(95,965)
Redemption of preference shares	8,455	39,340
Repayment of borrowings	(1,475,127)	(2,001,873)
Payment of lease liabilities	(8,563)	-
Net cash used in financing activities	(2,683,906)	(1,828,030)
Net increase/(decrease) in cash and cash equivalents	1,235,493	(840,382)
Cash and cash equivalents at beginning of the year	1,515,147	2,355,529
Cash and cash equivalents at end of the year	**2,750,640**	**1,515,147**
Cash and cash equivalents comprise :		
Cash and bank balances	195,574	279,128
Deposits with licensed banks and other licensed corporations	2,555,066	1,236,019
	2,750,640	**1,515,147**

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2018 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 2018 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 2018, except the Group adopted the following MFRSs, Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2019 as follows:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The adoption of the above did not have any material impact on the financial statements of the Group, except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated.

Effects of the change in accounting policy on the financial position of the Group as at 1 January 2019 are as follows:

	As previously stated	Effects of MFRS 16 adoption	As restated
	RM'000	RM'000	RM'000
Non-current assets			
Property, plant and equipment	13,443,183	72,950	13,516,133
Prepaid lease payments	59,094	(59,094)	-
Non-current liabilities			
Lease liabilities	-	(14,051)	(14,051)
Equity			
Accumulated losses	(82,425)	(195)	(82,620)

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2018 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, other than those disclosed in Note 11 and the recognition of net impairment loss on the Group's investment in an associate, Kapar Energy Ventures Sdn. Bhd., of RM433,292,000 after assessment on the projected operations and cashflows of the power plant.

5. Changes in estimates

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

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for the scheduled repayment of Malakoff Power Berhad ("MPB") Sukuk programme of RM670.0 million.

7. Dividends paid

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

i. A final dividend of 3.50 sen per ordinary share on 4,887,851,300 ordinary shares in issue, totalling RM171,075,000 in respect of the financial year ended 31 December 2018 on 31 May 2019.

ii. An interim dividend of 2.44 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM119,242,000 in respect of the financial year ended 31 December 2019 on 11 October 2019.

8. Segment reporting

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

	Local RM'000	**Foreign RM'000**	**Elimination RM'000**	**Total RM'000**
Continuing operations				
Revenue from external customers	7,277,019	1,438	-	7,278,457
Inter-segment revenue	2,157,128	847,819	(3,004,947)	-
	9,434,147	849,257	(3,004,947)	7,278,457
Discontinued operations				
Revenue from external customer	-	143,815	-	143,815
	-	143,815	-	143,815
Total segment revenue	9,434,147	993,072	(3,004,947)	7,422,272
Profit after tax from:				
Continuing operations	1,027,301	690,649	(1,388,083)	329,867
Discontinued operations	-	50,473	(5,654)	44,819
	1,027,301	741,122	(1,393,737)	374,686

The Group's segmental reporting for the corresponding financial year ended 31 December 2018 is as follows:

	Local RM'000	Foreign RM'000	Elimination RM'000	Total RM'000
Continuing operations				
Revenue from external customers	7,181,201	3,665	-	7,184,866
Inter-segment revenue	1,555,518	108,480	(1,663,998)	-
	8,736,719	112,145	(1,663,998)	7,184,866
Discontinued operations				
Revenue from external customer	-	163,364	-	163,364
	-	163,364	-	163,364
Total segment revenue	8,736,719	275,509	(1,663,998)	7,348,230
Profit after tax from:				
Continuing operations	551,590	69,316	(354,059)	266,847
Discontinued operations	-	(70,490)	127,123	56,633
	551,590	(1,174)	(226,936)	323,480

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 December 2019 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 2019.

11. Changes in composition of the Group

a) On 5 December 2019, Tunas Pancar Sdn. Bhd., a wholly-owned subsidiary of the Company completed the acquisition of 97.37% equity interest in Alam Flora Sdn. Bhd. ("AFSB") for a total cash consideration of RM869,000,000.

   Following the completion of the acquisition, the Group recorded provisional intangible assets of RM692 million arising from the fair value of the acquired net assets of AFSB. The Management in accordance with MFRS 3, *Business Combination*, has 12 months from the date of acquisition to complete the Purchase Price Allocation (PPA).

b) 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 for a cash consideration of AUD344,670,000, resulting in a gain on disposal of AUD187,947,000 (equivalent to approximately RM557 million).

The presentation and disclosure of the aforementioned discontinued operations have been reflected in the Group's financial statements in accordance with MFRS 5, *Non-Current Assets Held For Sale* and *Discontinued Operations* as follows:

	3 months ended 31.12.2019 RM'000	**3 months ended 31.12.2018** RM'000	**Cumulative 12 months ended 31.12.2019** RM'000	**Cumulative 12 months ended 31.12.2018** RM'000
Discontinued operations				
Revenue	25,646	40,166	143,815	163,364
Cost of sales	-	-	-	-
Gross profit	25,646	40,166	143,815	163,364
Other income	-	1,226	-	1,776
Administrative expenses	1,288	(1,812)	(366)	(1,324)
Other operating expenses	-	(3,185)	(7,112)	(238)
Results from operating activities	26,934	36,395	136,337	163,578
Finance income	32	137	471	270
Finance costs	(15,342)	(20,983)	(85,405)	(95,017)
Profit before tax	11,624	15,549	51,403	68,831
Income tax expense	(3,724)	(519)	(6,584)	(12,198)
Profit from discontinued operations	7,900	15,030	44,819	56,633
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	13,465	(2,723)	(34,499)	(57,407)
Foreign currency translation differences for foreign operations	74	(22,702)	(5,440)	(21,165)
Other comprehensive income/(expense), net of tax from discontinued operations	13,539	(25,425)	(39,939)	(78,572)
Total comprehensive income/(expense) for the period/year from discontinued operations	21,439	(10,395)	4,880	(21,939)

Effects of the disposal on the financial position of the Group are as follows:

	As at 31.12.2019 RM'000
Assets/(Liabilities) disposed:	
Finance lease receivable	1,984,367
Deferred tax assets	53,415
Other receivables	5
Tax recoverable	1,260
Cash and cash equivalents	99
Other payables	(14,642)
Derivative financial liabilities	(247,062)
Borrowing	(1,356,825)
Deferred taxation	(3,694)
Translation differences	(19,976)
Net assets and liabilities	**396,947**
Cash and cash equivalents disposed	(99)
Gain on sale of discontinued operations	556,620
Transaction costs	22,963
Net cash inflow on sale of discontinued operations	**976,431**

Effects of the disposal on the cash flow of the Group are as follows:

	Group	
Cash flows from/(used in) discontinued operations	**2019** RM'000	**2018** RM'000
Net cash from operating activities	38,124	88,070
Net cash from investing activities	471	269
Net cash used in financing activities	(19,363)	(28,914)
Net increase in cash and cash equivalents	19,232	59,425

12. Assets classified as held for sale

On 11 December 2019, Port Dickson Power Berhad ("PDP"), a wholly-owned subsidiary of the Company, 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 the third quarter of 2020. 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 2018 except for the following bank guarantees issued to third parties:

	31.12.2019 RM'mil	**31.12.2018** RM'mil
Company and subsidiaries	467.5	423.5

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:

	31.12.2019 RM'mil	**31.12.2018** RM'mil
Property, plant and equipment:		
Authorised and contracted for	106.8	83.6
Authorised but not contracted for	425.6	245.9
	532.4	329.5

15. Related party transactions

	31.12.2019 RM'mil	**31.12.2018** RM'mil
Associated company:		
Interest income on unsecured subordinated loan notes	35.7	40.3

Additional information required by the Bursa Securities Listing Requirements

16. Review of performance

The Group's performance review includes Malakoff Australia Pty. Ltd. ("MAPL") group's financial results presented as discontinued operations, disclosed in Note 11(b).

Quarter 4, 2019 vs Quarter 4, 2018

For the quarter ended 31 December 2019, the Group recorded RM1,741.1 million in revenue, a decrease of 7.7% from RM1,887.3 million reported in the corresponding quarter ended 31 December 2018, primarily due to lower energy payment recorded from Tanjung Bin Power Sdn. Bhd. ("TBP") given the decline in applicable coal price ("ACP"). However, these were partially moderated by higher energy payment recorded from Segari Energy Ventures Sdn. Bhd. ("SEV") in line with the increase in dispatch factor coupled with one-month revenue contribution from newly acquired subsidiary, Alam Flora Sdn. Bhd. ("AFSB") which was completed on 5 December 2019.

Correspondingly, the Group recorded lower profit before taxation of RM137.7 million, a decrease of 12.0% from RM156.5 million reported in corresponding quarter ended 31 December 2019, primarily due to lower contribution from TBP coal plant impacted by the decline in ACP and lower daily utilisation payment ("DUP") recorded following scheduled reduction in tariff under the existing Purchase Power Agreement ("PPA"), higher-than-expected share of losses from 40%-owned Kapar Energy Ventures Sdn. Bhd. ("KEV") and net impairment loss on carrying value of investment in KEV. However, these were partially moderated by one-off gain from the disposal of the Group's investment in MAPL which was completed on 18 December 2019.

Year-to-date, 2019 vs Year-to-date, 2018

For the financial year ended 31 December 2019, the Group recorded RM7,422.3 million in revenue, a slight increase of 1.0% from RM7,348.2 million reported in the preceding year primarily due to higher energy payment recorded from SEV in line with the increase in dispatch factor, higher capacity income recorded from Tanjung Bin Energy Sdn. Bhd. ("TBE") given the shorter duration of plant forced outage and one-month revenue contribution from newly acquired subsidiary, AFSB. However, these were partially offset by lower energy payment recorded from TBP coal plant impacted by the decline in ACP during the fourth quarter of 2019 and expiry of Port Dickson Power plant's 3-year PPA extension on 28 February 2019.

Conversely, the Group recorded profit before taxation of RM530.9 million, a decrease of 5.1% from RM559.2 million reported in the preceding year, primarily due to lower contribution from TBP coal plant impacted by the decline in ACP, higher operation and maintenance costs, higher-than-expected share of losses from KEV and net impairment loss on carrying value of investment in KEV. However, these were partially moderated by improved contribution from TBE coal plant, lower barging and demurrage costs following completion of coal unloading jetty, gain on remeasurement of existing investment in Shuaibah and one-off gain from the disposal of the Group's investment in MAPL.

17. Variation of results against immediate preceding quarter

Quarter 4, 2019 vs Quarter 3, 2019

The Group recorded lower profit before taxation of RM137.7 million in the current quarter compared with RM139.0 million in the immediate preceding quarter, primarily due to higher-than-expected share of losses from KEV and net impairment loss on carrying value of investment in KEV moderated by one-off gain from the disposal of the Group's investment in MAPL.

18. Current prospects

The Malaysian Electricity Supply Industry ("MESI") will continue to evolve with emphasis on industry liberalization, renewable energy (RE) and energy efficiency initiatives.

In this context, the Group will continue to expand its footprint in the RE sector in line with the Government's target to increase the RE generation capacity to 20% by 2025. In December 2019, the Group won the bids for its small hydro power projects with a total capacity of 55MW in Pahang through a competitive Feed-in Tariff ("FiT") e-bidding by the Sustainable Energy Development Authority ("SEDA").

The Group will continue to drive operational excellence in all its power plants to enhance their reliability and efficiency. Our Tanjung Bin Energy coal power plant had successfully achieved Unscheduled Outage Rate ("UOR") below the 6% threshold as at 31 December 2019 post completion of major maintenance and rectification works during the year.

The Group also completed two major corporate exercises in December 2019, namely the acquisition of Alam Flora Sdn. Bhd. and the disposal of the Macarthur Wind Farm. The completion of these exercises had contributed positively to the Group's performance.

Based on the foregoing, the Group expects overall performance to remain satisfactory for the financial year ending 31 December 2020.

19. Profit before tax

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

	3 months ended 31.12.2019 RM'mil	3 months ended 31.12.2018 RM'mil	Cumulative 12 months ended 31.12.2019 RM'mil	Cumulative 12 months ended 31.12.2018 RM'mil
Finance income	(56.6)	(54.8)	(235.4)	(241.7)
Finance costs	218.6	225.6	926.3	963.9
Depreciation	237.7	221.7	892.5	851.5
Amortisation of intangibles assets	75.6	70.6	288.0	282.5
Impairment loss on investment in an associate	433.3	-	433.3	-
Gain on disposal of a subsidiary	(556.6)	-	(556.6)	-
Gain on disposal of investment in associates	-	-	-	(61.3)
Gain on remeasurement of investment in an associate	-	-	(29.8)	-
Property, plant and equipment written off	3.9	26.1	9.0	29.8
Net foreign exchange loss/(gain)	(2.1)	(0.9)	(3.1)	(4.8)

20. Profit forecast or profit guarantee

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

21. Tax expense

	3 months ended 31.12.2019 RM'mil	3 months ended 31.12.2018 RM'mil	Cumulative 12 months ended 31.12.2019 RM'mil	Cumulative 12 months ended 31.12.2018 RM'mil
Current tax expense	54.7	99.0	371.0	425.1
Deferred tax expense	(35.8)	(36.6)	(214.8)	(189.4)
Total tax expense	18.9	62.4	156.2	235.7

The Group's effective tax rate for the current quarter was lower than the statutory income tax rate primarily due to effects from the one-off gain from the disposal of the Group's investment in MAPL and net impairment loss on carrying value of investment in KEV. For the year to date, however, the Group's effective tax rate was higher than the statutory income tax rate primarily due to certain expenses not deductible for tax purposes.

22. Status of corporate proposals announced

Memorandum of Understanding ("MOU") with Touch Meccanica Sdn. Bhd. ("TMSB")

On 23 December 2019, the Special Purpose Vehicles in collaboration with TMSB, namely, Batu Bor Hidro Sdn. Bhd. and Lubuk Paku Hidro Sdn. Bhd, the Company's 65% indirect subsidiaries were selected by the Sustainable Energy Development Authority ("SEDA") as the successful bidders in a competitive Feed-in Tariff ("FiT") e-bidding to develop small hydro projects with a total capacity of 55MW. The commercial operation date (COD) is expected to be within 60 months from the issuance of FiT certificate by SEDA dated 24 December 2019.

23. Borrowings

	31.12.2019	**31.12.2018**
	RM'mil	RM'mil
Current		
- Secured	1,509.0	1,885.3
Non-current		
- Secured	10,859.1	13,285.1
- Unsecured	30.0	30.0
	10,889.1	13,315.1
	12,398.1	15,200.4

The breakdown of Group borrowings by currency is as follows:

	31.12.2019	**31.12.2018**
	RM'mil	RM'mil
Functional currency		
- RM	11,716.3	13,059.0
- AUD	387.1	1,827.1
- USD	294.7	314.3
	12,398.1	15,200.4

24. Changes in material litigation

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

On 4 September 2014, a joint venture of the Group, AAS, was charged in the Court of Ghazouet in the district of Tlemcen, Algeria, for an alleged breach of foreign exchange regulations concerning a sum of USD26.9 million. The Group holds an indirect effective interest of 35.7% in AAS via Tlemcen Desalination Investment Company SAS ("TDIC"), an indirect subsidiary of Malakoff International Limited.

In 2009, it was discovered that there was a considerable gap between the value of the delivered equipment received as per the invoices declared to the customs and the value of the milestone payments made by AAS to the supplier cum contractor ("Invoice Gap"). AAS wrote to the supplier cum contractor requesting for clarification as they are responsible to resolve tax and customs issues. The Invoice Gap however was not resolved by the supplier cum contractor and the Algerian Customs then initiated investigations and thereafter a charge was filed against AAS in respect of repression of foreign exchange regulations.

The Court had on 24 December 2014 convicted AAS and had subsequently imposed a penalty of DZD3,929,038,151 (approximately RM148.3 million at the exchange rate of RM1: DZD26.5) (“Penalty”). The Group’s liability arising from the Penalty, in proportion to the Group’s 35.7% effective interest in AAS via TDIC, which may impact the profit of the Group, amounts to DZD1,402,666,620 (approximately RM52.9 million). The Court of Appeal upheld the decision and the Penalty imposed by the Court on 2 March 2016.

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

In 2016, the Group’s carrying amount of investment in AAS has been fully provided in respect of the foregoing.

AAS’ solicitors had informed on 30 December 2019, that to date, the appeal has not yet been assigned to any chamber and therefore no hearing date has been scheduled.

ii) Request for Arbitration under International Chamber of Commerce International Court of Arbitration ("ICC") filed by Algerian Energy Company SPA ("AEC" or "Claimant") against (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB" or "Company") in relation to the Souk Tleta seawater desalination plant in the district of Tlemcen, Algeria ("Plant")

On 19 March 2019, AEC had 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 (“WPA”) dated 9 December 2007, 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 and negligence in the design, operation and maintenance of the Plant; and
b) wrongly objected to the termination of the WPA, transfer of shares to AEC and carrying out of technical audit 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 contracts between the parties, in particular 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 Almiyah Attilemcania SpA (“AAS”), the project company, 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 the costs for 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 Algerian courts and currently pending outcome of AAS' appeal at Algerian Supreme Court).

MCB has appointed international arbitration lawyers in Paris and Kuala Lumpur to advise on the Request and take the necessary steps to defend its position and vigorously challenge AEC's claims in the ICC arbitration, and possibly counterclaim against AEC.

The Respondents had filed their respective Answers to the Request at the ICC in May 2019 raising, amongst others, various preliminary objections. The ICC Court had considered the said preliminary objections and decided on 8 August 2019 that the arbitration shall proceed. The arbitral tribunal was constituted on 20 September 2019.

On 17 January 2020, the Respondents filed their respective submissions on jurisdictional objections at the ICC. The Claimant is required to file its reply on 28 February 2020 and thereafter the Respondents may provide its final reply on 15 April 2020. Based on the provisional timetable, hearing on the jurisdictional objections is scheduled on 15 to 16 June 2020, with the decision on the issue of jurisdiction to be rendered on 30 September 2020.

iii) *Application to join Malakoff Corporation Berhad ("MCB") and Malakoff Power Berhad ("Joinder Application") in the Singapore International Arbitration Centre Arbitration No. 278 of 2018 ("Arbitration") 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")*

MCB was notified on 9 August 2019 that GE Energy Parts, Inc ("1st Respondent"), GE Power Systems (Malaysia) Sdn. Bhd. ("2nd Respondent"), General Electric International, Inc, and General Electric Company (collectively referred to as "Respondents") have filed an application ("Joinder Application") to join MCB and MPB, a wholly-owned subsidiary of MCB, as parties to the Respondents' Counterclaim, in the arbitration initiated by Allianz General Insurance Company (Malaysia) Berhad ("AGI") on 24 September 2018 under the Arbitration Rules of Singapore Arbitration Centre as a subrogated action ("Arbitration"), in the name of the Claimant, against the Respondents, in relation to an incident on or about 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.

On 22 April 2019, the Respondents filed a Counterclaim against the Claimant, seeking damages for breach of the Settlement and Release Agreement between the Respondents, Claimant, MCB and MPB which was entered into on 12 December 2012 ("SRA") for resolution of disputes in relation to two incidents at the Prai Power Plant which occurred

in 2006 and 2009 and the agreement between the Claimant and the 1st and 2nd Respondents which was entered into on 19 December 2000 ("Agreement by the Claimant") in relation to a Long-Term Service Agreement between MPB and the 1st and 2nd Respondents.
In the Joinder Application, the Respondents alleged that:

a) the commencement of the Arbitration constitutes a breach of the SRA, in respect of which MCB and MPB are liable;
b) under the SRA, MCB and MPB are liable to indemnify the Respondents against the Arbitration; and
c) if the Respondents are found liable for the 2015 Incident, MPB is liable for contributory negligence as the operator of Prai Power Plant.

Following MCB's and MPB's submission against the Joinder Application, the Respondents had on 2 October 2019 withdrawn the Joinder Application with liberty to file afresh and commenced amicable dispute resolution process with MCB and MPB.

The representatives of GE and MCB & MPB had a without prejudice meeting on 25 October 2019 whereby the parties agreed to refer the dispute to parties' higher management for further negotiation.

Following the meeting of senior management between the parties on 21 November 2019, in the interest of cost, the parties agreed to waive the requirement for non-binding mediation as prescribed under the dispute resolution provision in the LTSA/SRA.

GE has refiled the application to join MCB and MPB as parties to GE's Counterclaim, since GE, MCB and MPB had conducted and completed the dispute resolution process under the SRA and LTSA without any successful resolution of the dispute.

25. Dividend Payable

The Board of Directors has recommended the payment of a final dividend of 4.11 sen per ordinary share in respect of the financial year ended 31 December 2019, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

For the corresponding quarter ended 31 December 2018, a final dividend of 3.5 sen per ordinary share amounting to RM171,075,000 in respect of the financial year ended 31 December 2018 was declared on 22 February 2019 and paid on 31 May 2019.

26. Earnings per ordinary share

	3 months ended 31.12.2019	3 months ended 31.12.2018	Cumulative 12 months ended 31.12.2019	Cumulative 12 months ended 31.12.2018
Basic/Diluted Earnings per Ordinary Share				
Profit for the period/year attributable to owners of the Company (RM'mil)	106.4	85.5	320.2	274.4
Weighted average number of ordinary shares ('mil)	4,887.0	4,898.0	4,887.3	4,932.0
Basic/diluted earnings per ordinary share (sen)	2.18	1.75	6.55	5.56

27. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 19 February 2020.

By Order of the Board
Noor Raniz bin Mat Nor (MAICSA No.7061903)
Sharifah Ashtura Jamalullail binti Syed Osman (LS 0009113)
Secretaries
Kuala Lumpur
19 February 2020