

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE 1st QUARTER ENDED 31 MARCH 2023

(Amounts in RM million unless otherwise stated)

	Current quarter ended 31.03.2023	Individual Corresponding quarter ended 31.03.2022 (Restated)
Revenue	12,625.6	12,153.1
Imbalance Cost Past-Through under recovery	3,632.3	3,505.4
Operating expenses	(14,443.1)	(13,431.8)
Net gain/(loss) on impairment of financial instruments	48.7	(35.7)
Other operating income	218.6	178.6
Operating profit	2,082.1	2,369.6
Foreign exchange		
- Translation gain	28.1	42.7
- Transaction (loss)/gain	(1.5)	0.3
Share of results of joint ventures	0.9	6.0
Share of results of associates	22.1	30.0
Profit before finance cost	2,131.7	2,448.6
Finance income	98.6	46.2
Finance cost	(1,119.6)	(1,003.0)
Fair value changes of financial instruments	(8.0)	40.2
Profit before taxation and zakat	1,102.7	1,532.0
Taxation and zakat	(171.8)	(660.8)
Profit for the period	930.9	871.2
Attributable to:		
- Owners of the Company	1,002.3	893.1
- Non-controlling interests	(71.4)	(21.9)
Profit for the period	930.9	871.2

Earnings per share attributable to the owners of the Company:

	Sen	Sen
Basic	17.42	15.60
Diluted	17.31	15.52

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 1st QUARTER ENDED 31 MARCH 2023

(Amounts in RM million unless otherwise stated)

	Current quarter ended 31.03.2023	Individual Corresponding quarter ended 31.03.2022
Profit for the period	930.9	871.2
Other comprehensive (expense)/income Items that will not be reclassified subsequently to profit or loss:		
Defined benefit plan actuarial (loss)/gain	(434.8)	175.0
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	97.4	(74.4)
Financial assets at fair value through other comprehensive income ('FVOCI')	0.4	(0.2)
Share of other comprehensive income ('OCI')/(loss) of associates accounted for using the equity method	101.3	(26.9)
Total other comprehensive (expense)/income	(235.7)	73.5
Total comprehensive income for the period	695.2	944.7
Attributable to:		
- Owners of the Company	767.1	950.1
- Non-controlling interests	(71.9)	(5.4)
Total comprehensive income for the period	695.2	944.7

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 31 MARCH 2023

(Amounts in RM million unless otherwise stated)

	31.03.2023	31.12.2022
NON-CURRENT ASSETS		
Property, plant and equipment	116,737.9	116,577.1
Right-of-use assets	36,516.4	37,405.1
Joint ventures	220.1	249.5
Associates	1,540.8	1,429.7
Intangible assets	604.5	593.6
Investment in unquoted debt security	256.5	253.4
Tax recoverable	3,522.4	3,522.4
Deferred tax assets	335.4	377.5
Long term receivables	254.9	250.5
Finance lease receivables	7.1	7.4
Financial assets at FVOCI	71.1	70.7
Contract cost assets	1.3	1.3
Financial assets at fair value through profit or loss ('FVTPL')	55.6	55.6
Derivative financial instruments	63.1	72.3
	<u>160,187.1</u>	<u>160,866.1</u>
CURRENT ASSETS		
Inventories	2,287.0	3,290.8
Receivables, deposits and prepayments	19,661.8	22,827.0
Contract assets	4,738.9	3,825.9
Contract cost assets	166.3	165.5
Tax recoverable	1,267.8	1,207.5
Finance lease receivables	1.2	1.2
Amounts due from joint ventures	30.8	44.6
Amounts due from associates	294.0	659.1
Derivative financial instruments	0.4	0.2
Financial assets at FVTPL	5,134.3	8,141.0
Deposits, bank and cash balances	9,598.3	4,893.4
	<u>43,180.8</u>	<u>45,056.2</u>
CURRENT LIABILITIES		
Payables	(9,739.8)	(11,509.7)
Contract liabilities	(644.2)	(573.4)
Derivative financial instruments	(1.8)	(2.9)
Lease liabilities	(3,097.2)	(3,140.5)
Amounts due to associates	(16.0)	(777.6)
Current tax liabilities	(84.9)	(187.9)
Employee benefits	(592.5)	(592.5)
Consumer deposits	(7,806.9)	(7,550.6)
Short term borrowings	(11,669.0)	(13,262.2)
	<u>(33,652.3)</u>	<u>(37,597.3)</u>
NET CURRENT ASSETS	9,528.5	7,458.9
NON-CURRENT LIABILITIES		
Borrowings	(52,883.6)	(50,620.0)
Derivative financial instruments	(8.2)	(2.3)
Contract liabilities	(5,048.7)	(4,783.1)
Government development grants	(886.3)	(875.4)
Lease liabilities	(29,439.0)	(30,137.9)
Deferred tax liabilities	(8,651.7)	(8,820.3)
Other liabilities	(1,128.6)	(1,154.1)
Employee benefits	(11,468.4)	(10,965.7)
	<u>(109,514.5)</u>	<u>(107,358.8)</u>
TOTAL NET ASSETS	<u>60,201.1</u>	<u>60,966.2</u>
EQUITY		
Share capital	12,204.3	12,204.3
Other reserves	(6,639.0)	(6,463.3)
Retained profits	52,282.6	52,776.1
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	57,847.9	58,517.1
NON-CONTROLLING INTERESTS ('NCI')	2,353.2	2,449.1
TOTAL EQUITY	<u>60,201.1</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 1st QUARTER ENDED 31 MARCH 2023

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company			Non-controlling interest	Total equity
	Ordinary shares	Other reserves	Retained profits		
At 1 January 2023	12,204.3	(6,463.3)	52,776.1	2,449.1	60,966.2
Profit for the financial period	-	-	1,002.3	(71.4)	930.9
Foreign currency translation differences	-	93.2	-	4.2	97.4
Fair value changes of financial assets at FVOCI	-	0.4	-	-	0.4
Share of OCI of associates accounted for using the equity method	-	101.3	-	-	101.3
Defined benefit plan actuarial loss	-	(430.1)	-	(4.7)	(434.8)
Total comprehensive (loss)/income	-	(235.2)	1,002.3	(71.9)	695.2
Long Term Incentive Plan ('LTIP') share-based payment expense	-	59.5	-	-	59.5
Final dividend for FY2022	-	-	(1,495.8)	-	(1,495.8)
Redemption of Redeemable Preference Shares by NCI	-	-	-	(24.0)	(24.0)
Total transactions with owners	-	59.5	(1,495.8)	(24.0)	(1,460.3)
At 31 March 2023	12,204.3	(6,639.0)	52,282.6	2,353.2	60,201.1
At 1 January 2022	11,927.6	(6,813.3)	51,494.1	1,784.0	58,392.4
Profit for the financial period	-	-	893.1	(21.9)	871.2
Foreign currency translation differences	-	(72.2)	-	(2.2)	(74.4)
Fair value changes of financial assets at FVOCI	-	(0.2)	-	-	(0.2)
Share of OCI of associates accounted for using the equity method	-	(26.9)	-	-	(26.9)
Defined benefit plan actuarial gain	-	156.3	-	18.7	175.0
Total comprehensive income/(loss)	-	57.0	893.1	(5.4)	944.7
LTIP share-based payment expense	-	53.4	-	-	53.4
Final dividend for FY2021	-	-	(1,030.7)	-	(1,030.7)
Redemption of Redeemable Preference Shares by NCI	-	-	-	(73.5)	(73.5)
Total transactions with owners	-	53.4	(1,030.7)	(73.5)	(1,050.8)
At 31 March 2022	11,927.6	(6,702.9)	51,356.5	1,705.1	58,286.3

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 1st QUARTER ENDED 31 MARCH 2023

(Amounts in RM million unless otherwise stated)

	FY2023 ended 31.03.2023	FY2022 ended 31.03.2022
Cash flow from operating activities		
Cash generated from operations	4,394.9	1,141.1
Post-employment benefits paid	(230.8)	(205.1)
Contract liabilities received	388.2	186.8
Consumer deposits received	209.8	191.6
Net taxation and zakat paid	(321.8)	(198.4)
Net cash flows generated from operating activities	<u>4,440.3</u>	<u>1,116.0</u>
Cash flow from investing activities		
Additional investments in:		
- Financial assets at FVTPL	(17,370.0)	(18,421.8)
- Joint venture	(0.2)	-
Proceeds from redemptions:		
- Redeemable preference shares in associates	-	1.9
Disposals of financial assets at FVTPL	20,734.1	16,503.8
Dividend income received	80.5	11.1
Finance income received	52.9	21.1
Property, plant and equipment:		
- Additions	(2,094.8)	(1,667.7)
- Proceeds from disposals	4.7	0.8
Right-of-use assets:		
- Proceeds from disposals	1.4	-
Net cash flows generated from/(used in) investing activities	<u>1,408.6</u>	<u>(3,550.8)</u>
Cash flow from financing activities		
Government development grants received	0.3	7.1
Borrowings:		
- Drawdowns	2,453.6	5,131.4
- Repayments	(2,187.4)	(3,480.9)
Finance cost paid	(392.1)	(361.1)
Repayments of lease obligations:		
- Principal	(581.6)	(467.1)
- Interest	(415.4)	(369.1)
Redemption of Redeemable Preference Shares from NCI	(24.0)	(73.5)
Net increase in debt reserve accounts	(1.0)	(170.1)
Net decrease in cash at bank, held in trust	38.7	2.4
Net decrease/(increase) in restricted cash	0.7	(0.1)
Net (increase)/decrease in deposits maturing more than 90 days	(38.5)	28.2
Net cash flows (used in)/generated from financing activities	<u>(1,146.7)</u>	<u>247.2</u>
Net increase/(decrease) in cash and cash equivalents	4,702.2	(2,187.6)
Effects of changes in foreign currency	2.6	11.7
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>8,760.9</u>	<u>3,459.0</u>
Deposit, bank and cash balances at the end of the period	9,598.3	4,669.8
Debt reserve account ¹	(154.7)	(319.7)
Cash at bank, held in trust ²	(226.9)	(321.5)
Restricted cash	(7.8)	(1.4)
Deposits maturing more than 90 days	(448.0)	(568.2)
Cash and cash equivalents at the end of the period	<u>8,760.9</u>	<u>3,459.0</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.

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

The adoption of the 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 31.03.2023	Individual Corresponding quarter ended 31.03.2022 (Restated)
Sales:		
- Electricity	12,309.0	11,901.1
- Goods and services	204.6	148.0
Construction contracts	40.7	37.5
Customers' contributions	71.3	66.5
Total revenue	12,625.6	12,153.1

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

As announced to Bursa Malaysia on 16 December 2022, the Government of Malaysia has approved the continued implementation of the Imbalance Cost Pass-Through ('ICPT') mechanism for the period of 1 January until 30 June 2023. Non-domestic customers will be charged a surcharge of 3.7 sen/kWh or 20.0 sen/kWh based on their tariff block while domestic customers maintained an ICPT rebate of 2 sen/kWh. The decision was made to address the increase in additional generation costs due to the higher fuel prices used for the supply of electricity during the period of 1 July to 31 December 2022.

The continued high fuel prices in 2H 2022 has resulted in TNB carrying higher receivables and borrowings balances. The Government has agreed to fund the rebate and the surcharge amounting to RM10.4 billion. As at to date, TNB has already received payment of RM5.3 billion from the Government and the remaining balance is expected to be reimbursed by the end of June 2023.

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 31 March 2023.

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

There were no material events subsequent to the end of the reporting period.

13) CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes to the composition of the Group during the quarter under review.

14) CONTINGENT LIABILITIES

	As at 31.03.2023	As at 31.12.2022
Claims by third parties	356.8	342.3
Trade guarantees and performance bonds	47.9	51.0
Total contingent liabilities	404.7	393.3

Claims by third parties include claims by contractors, consumers and former employees. 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.

On 7 December 2016, 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 a new hearing date on 22 August 2023.

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 19 September 2023.

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.

On 29 October 2021, the IRB had disallowed the interest expenses incurred by Kapar Energy Ventures Sdn Bhd's ('KEV') in relation to the Redeemable Unsecured Loan Stock granted to KEV by TNB and Malakoff Corporation Berhad under Section 33(1)(a) of the Income Tax Act 1967 and KEV's revision of revenue for the YAs 2004 to 2009. As a result thereof, the IRB had issued notices of assessment ('Notices') for the YAs 2011, 2012 and 2014 and notices of additional assessment for the YAs 2013, 2015, 2016, 2017 and 2018 amounting in aggregate to RM595.9 million.

14) CONTINGENT LIABILITIES (CONTINUATION)

On 16 November 2021, KEV had commenced a judicial review against the Minister of Finance at the High Court to challenge the matters arising from the said Notices. The High Court fixed the hearing of the application for leave for judicial review on 10 February 2022. Due to the request of the Attorney General Chamber to vacate the hearing for leave for judicial review on 10 February 2022, the High Court proceeded to fix the hearing for leave for judicial review on 27 June 2022. The High Court has granted an extension of the interim stay on the enforcement of the Notices until 27 June 2022.

In view of the ongoing out-of-court settlement negotiations between IRB and KEV, the High Court had successively vacated the hearing for KEV's application of leave for judicial review scheduled on 27 June 2022, 18 August 2022, 13 September 2022, 24 November 2022, 3 January 2023, 15 March 2023, 13 April 2023 and 23 May 2023. The High Court had fixed the next case management date on 15 June 2023 for parties to update the High Court on the outcome of the out-of-court settlement negotiations.

Based on the legal advice obtained from its tax solicitors, KEV is of the view that it has a good basis in law to contend that the said Notices were incorrectly raised by the IRB 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 the two tax litigation matters above, the Company continued to claim the RA for YAs 2020, 2021 and 2022 whilst KEV continued to claim tax deductions for YAs 2019, 2020, 2021 and 2022 as permitted by the law.

15) CAPITAL COMMITMENTS

	As at 31.03.2023	As at 31.12.2022
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	53,429.7	57,417.0
Contracted but not provided for in the financial statements	497.2	604.1
Total capital commitments	53,926.9	58,021.1

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

16) REVIEW OF PERFORMANCE

Performance of the current period ended 31 March 2023 against the corresponding period ended 31 March 2022:

Revenue for the period increased by 3.9% or RM472.5 million mainly due to the higher sales of electricity of RM407.9 million, up by 3.4% against the corresponding period with demand growth of 0.8%.

Operating expenses increased from RM13,431.8 million to RM14,443.1 million, up 7.5% or RM1,011.3 million. This rise is mainly due to higher generation costs, which led to a higher ICPT under recovery recognised in the current quarter. However, there was a net reversal on impairment of financial instruments amounting to RM48.7 million recognised in the current period, due to an improvement in the collection trend. As a result, the Group recorded a lower operating profit of RM2,082.1 million, reduced by RM287.5 million from the last corresponding period.

Profit after taxation for the current quarter increased by 6.9% or RM59.7 million, rising from RM871.2 million to RM930.9 million compared to the corresponding period. This increase was primarily attributed to lower tax provisions recognised in the current quarter, resulting from the higher utilisation of the reinvestment allowance incentive.

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

Performance of the current quarter (1st Quarter FY2023) against the preceding quarter (4th Quarter FY2022):

Revenue for the quarter under review decreased from RM12,915.1 million to RM12,625.6 million, resulted from lower sales of electricity by RM265.2 million or 2.1%.

Operating profit for the current quarter increased by RM582.1 million from RM1,500.0 million to RM2,082.1 million due to the reduction in operating expenses of RM3,659.8 million, offset by a lower ICPT under recovery recognised in the current quarter of RM2,765.4 million.

Profit after taxation increased by RM123.0 million, from RM807.9 million in the preceding quarter to RM930.9 million in the quarter under review. This was due to higher operating profit mentioned above, offset by lower foreign exchange translation gains and higher tax expenses recognised in the current quarter.

18) PROSPECTS

For the first quarter financial year 2023, the Group reported improved earnings from electricity demand growth of 0.8% consistent with Malaysia's Gross Domestic Product (GDP) expansion of 5.6%*.

The Group foresees a reasonable performance for the year 2023 and will continue to remain cautious on the challenges ahead including high fuel prices and inflation. The Group will continue to take prudent measures in terms of 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 arriving at the profit from operations:

	Individual Current quarter ended 31.03.2023
Property, plant and equipment:	
- Depreciation	(1,895.3)
- Gain on disposals	4.7
Right-of-use assets:	
- Depreciation	(906.3)
- Gain on disposals	1.3
Receivables:	
- Impairment losses	(9.6)
- Reversal of impairment losses	76.2
Contract assets:	
- Impairment losses	(25.2)
Amount due from joint ventures:	
- Impairment losses	(1.3)
Inventories:	
- Write back of obsolescence	44.5
- Written off	(26.0)
Investments in unquoted debt security:	
- Impairment losses	(2.8)

Other than the items highlighted above, there were no material disposals of quoted investments 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 31.03.2023	Individual Corresponding quarter ended 31.03.2022
Income tax:		
Current tax and zakat	(150.4)	(529.9)
Deferred tax (net):		
Relating to origination and reversal of temporary differences	(21.4)	(130.9)
Total taxation and zakat	(171.8)	(660.8)

For the reporting period ended 31 March 2023, the Group recorded a 15.6% effective tax rate, which is lower than the statutory tax rate of 24.0%. The lower effective tax rate is mainly due to the utilisation of reinvestment allowance incentive during the current quarter.

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 31.03.2023	As at 31.12.2022
Short term - secured	1,719.5	1,708.0
- unsecured	9,949.5	11,554.2
Sub-total	11,669.0	13,262.2
Long term - secured	23,009.9	22,742.4
- unsecured	29,873.7	27,877.6
Sub-total	52,883.6	50,620.0
Total	64,552.6	63,882.2

- (b) Currency denominations:

	As at 31.03.2023	As at 31.12.2022
US Dollar	8,577.5	8,496.8
GBP	3,377.9	3,161.1
Japanese Yen	1,748.3	1,812.4
Total Ringgit equivalent of foreign currency borrowings	13,703.7	13,470.3
Ringgit borrowings	50,848.9	50,411.9
Total	64,552.6	63,882.2

- (c) Effective average cost of borrowing based on exposure as at 31 March 2023 was 4.69% (31 December 2022: 4.63%).
- (d) Repayments of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM150.1 million; and
 - (ii) Ringgit denominated loans of RM2,037.3 million.
- (e) Drawdowns of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM233.3 million; and
 - (ii) Ringgit denominated loans of RM2,220.3 million.

24) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31.03.2023	
	Notional Amount	Fair Value
Forward Foreign Currency Contracts		
- Spot	4.3	0
- Less than 1 year	289.1	(1.4)
Interest Rate Swap Contracts		
- More than 3 years	758.2	50.4
Profit Rate Swap Contracts		
- More than 3 years	323.7	4.5
Total	1,375.3	53.5

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

	Current quarter ended 31.03.2023	Individual Corresponding quarter ended 31.03.2022
Profit attributable to owners of the Company	1,002.3	893.1
Weighted average number of ordinary shares in issue ('000)	5,753,077	5,726,091
Basic earnings per share (sen)	17.42	15.60
Weighted average number of ordinary shares in issue ('000)	5,753,077	5,726,091
Adjustments for LTIP ('000)	35,837	28,593
Weighted average number of diluted ordinary shares ('000)	5,788,914	5,754,684
Diluted earnings per share (sen)	17.31	15.52

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
29 May 2023