

The Board of Directors is pleased to announce the following:

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 31.12.2023	Corresponding quarter ended 31.12.2022	Current year ended 31.12.2023	Preceding year ended 31.12.2022
Revenue	13,652.0	12,915.1	53,066.9	50,867.7
Imbalance Cost Pass-Through under recovery	2,106.6	6,397.7	10,598.2	22,315.3
Operating expenses	(14,861.3)	(18,102.9)	(57,371.1)	(64,612.1)
Net reversal/(loss) on impairment of financial instruments	146.8	26.9	114.7	(101.4)
Other operating income	338.4	263.2	948.2	940.0
Operating profit	1,382.5	1,500.0	7,356.9	9,409.5
Foreign exchange				
- Translation gain/(loss)	71.9	358.8	(290.6)	(249.5)
- Transaction gain	79.1	2.0	81.1	26.0
Share of results of joint ventures	8.7	2.0	18.1	21.0
Share of results of associates	18.0	(6.9)	44.3	76.6
Profit before finance cost	1,560.2	1,855.9	7,209.8	9,283.6
Finance income	132.6	97.8	544.3	277.7
Finance cost	(955.0)	(1,142.6)	(4,331.1)	(4,343.4)
Fair value changes of financial instruments	(63.9)	5.6	(49.4)	130.7
Profit before taxation and zakat	673.9	816.7	3,373.6	5,348.6
Taxation and zakat	(149.5)	(8.8)	(770.0)	(1,791.2)
Profit for the period	524.4	807.9	2,603.6	3,557.4
Profit attributable to:				
- Owners of the Company	583.9	809.1	2,770.3	3,463.3
- Non-controlling interests	(59.5)	(1.2)	(166.7)	94.1
Profit for the period	524.4	807.9	2,603.6	3,557.4
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	10.12	14.10	48.00	60.35
Diluted	10.07	14.01	47.79	59.98

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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 31.12.2023	Corresponding quarter ended 31.12.2022 (Restated)	Current year ended 31.12.2023	Preceding year ended 31.12.2022 (Restated)
Profit for the period	524.4	807.9	2,603.6	3,557.4
Other comprehensive income/(expense)				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial gain/(loss)	185.4	(162.0)	(658.6)	653.4
Financial assets at fair value through other comprehensive income ('FVOCI')	(1.8)	(3.2)	(15.6)	7.9
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	55.0	163.8	427.8	(222.3)
Share of other comprehensive income/(expense) of associates accounted for using the equity method	16.8	153.2	133.0	(55.2)
Total other comprehensive income/(expense)	255.4	151.8	(113.4)	383.8
Total comprehensive income for the period	779.8	959.7	2,490.2	3,941.2
Attributable to:				
- Owners of the Company	837.4	956.1	2,658.4	3,827.4
- Non-controlling interests	(57.6)	3.6	(168.2)	113.8
Total comprehensive income for the period	779.8	959.7	2,490.2	3,941.2

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.

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B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts in RM million unless otherwise stated)

	31.12.2023	31.12.2022
NON-CURRENT ASSETS		
Property, plant and equipment	122,024.7	116,577.1
Right-of-use assets	34,106.8	37,405.1
Joint ventures	208.4	249.5
Associates	1,458.8	1,429.7
Intangible assets	1,205.7	593.6
Investment in unquoted debt security	259.3	253.4
Tax recoverable	3,522.4	3,522.4
Deferred tax assets	379.3	377.5
Long term receivables	529.7	250.5
Finance lease receivables	6.1	7.4
Financial assets at FVOCI	55.1	70.7
Contract cost assets	4.7	1.3
Financial assets at fair value through profit or loss ('FVTPL')	35.9	55.6
Derivative financial instruments	168.0	72.3
Employee benefits	147.1	-
	<u>164,112.0</u>	<u>160,866.1</u>
CURRENT ASSETS		
Inventories	2,758.0	3,290.8
Receivables, deposits and prepayments	10,419.4	22,827.0
Contract assets	4,446.8	3,825.9
Contract cost assets	99.5	165.5
Tax recoverable	1,519.0	1,207.5
Finance lease receivables	1.1	1.2
Amounts due from joint ventures	22.7	44.6
Amounts due from associates	388.3	659.1
Derivative financial instruments	-	0.2
Financial assets at FVTPL	1,614.1	8,141.0
Deposits, bank and cash balances	19,390.5	4,893.4
	<u>40,659.4</u>	<u>45,056.2</u>
CURRENT LIABILITIES		
Payables	(12,830.7)	(11,509.7)
Contract liabilities	(338.6)	(573.4)
Derivative financial instruments	(1.4)	(2.9)
Lease liabilities	(2,983.5)	(3,140.5)
Amounts due to associates	(579.7)	(777.6)
Current tax liabilities	(108.2)	(187.9)
Employee benefits	(615.8)	(592.5)
Consumer deposits	(8,050.1)	(7,550.6)
Short term borrowings	(7,030.6)	(13,262.2)
	<u>(32,538.6)</u>	<u>(37,597.3)</u>
NET CURRENT ASSETS	8,120.8	7,458.9
NON-CURRENT LIABILITIES		
Borrowings	(54,739.6)	(50,620.0)
Derivative financial instruments	(10.5)	(2.3)
Contract liabilities	(5,449.7)	(4,783.1)
Government development grants	(922.8)	(875.4)
Lease liabilities	(27,877.4)	(30,137.9)
Deferred tax liabilities	(9,046.1)	(8,820.3)
Other liabilities	(1,348.7)	(1,154.1)
Employee benefits	(11,755.3)	(10,965.7)
	<u>(111,150.1)</u>	<u>(107,358.8)</u>
TOTAL NET ASSETS	<u>61,082.7</u>	<u>60,966.2</u>
EQUITY		
Share capital	12,499.5	12,204.3
Other reserves	(6,682.6)	(6,463.3)
Retained profits	53,008.9	52,776.1
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	58,825.8	58,517.1
NON-CONTROLLING INTERESTS ('NCI')	2,256.9	2,449.1
TOTAL EQUITY	<u>61,082.7</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 FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	2,770.3	(166.7)	2,603.6
Foreign currency translation differences	-	416.3	-	11.5	427.8
Fair value changes of financial assets at FVOCI	-	(15.6)	-	-	(15.6)
Share of OCI of associates accounted for using the equity method	-	133.0	-	-	133.0
Defined benefit plan actuarial loss	-	(645.6)	-	(13.0)	(658.6)
Total comprehensive (loss)/income for the year	-	(111.9)	2,770.3	(168.2)	2,490.2
Long Term Incentive Plan ('LTIP') :					
- Share-based payment expense	-	221.0	-	-	221.0
- 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 paid 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	(107.4)	(2,537.5)	(24.0)	(2,373.7)
At 31 December 2023	12,499.5	(6,682.6)	53,008.9	2,256.9	61,082.7
At 1 January 2022	11,927.6	(6,813.3)	51,494.1	1,784.0	58,392.4
Profit for the financial period	-	-	3,463.3	94.1	3,557.4
Foreign currency translation differences	-	(215.5)	-	(6.8)	(222.3)
Fair value changes of financial assets at FVOCI	-	7.9	-	-	7.9
Share of OCI of associates accounted for using the equity method	-	(55.2)	-	-	(55.2)
Defined benefit plan actuarial gain	-	626.9	-	26.5	653.4
Total comprehensive income for the year	-	364.1	3,463.3	113.8	3,941.2
LTIP:					
- Share-based payment expense	-	299.1	-	-	299.1
- 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 paid 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	(14.1)	(2,181.3)	551.3	(1,367.4)
At 31 December 2022	12,204.3	(6,463.3)	52,776.1	2,449.1	60,966.2

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 FOURTH QUARTER ENDED 31 DECEMBER 2023

(Amounts in RM million unless otherwise stated)

	FY2023 ended 31.12.2023	FY2022 ended 31.12.2022 (Restated)
Cash flows from operating activities		
Cash generated from operations	32,576.6	10,065.5
Post-employment benefits paid	(871.9)	(808.9)
Contract liabilities received	1,143.3	828.7
Consumer deposits received	303.4	326.6
Net taxation and zakat paid	(932.9)	(1,034.0)
Net cash flows generated from operating activities	<u>32,218.5</u>	<u>9,377.9</u>
Cash flows from investing activities		
Acquisition of subsidiaries net of cash and cash equivalent	(1,616.2)	(710.8)
Net cash flow from disposal of associate	133.0	-
Additional investments in:		
- Financial assets at FVTPL	(30,500.6)	(97,219.4)
- Joint venture	-	(0.1)
Proceeds from redemptions:		
- Investment in unquoted debt security	-	50.0
- Redeemable Preference Shares ('RPS') in associates	-	2.6
Disposals of financial assets at FVTPL	37,102.6	91,605.8
Dividend income received	205.2	98.1
Finance income received	488.5	145.9
Property, plant and equipment:		
- Additions	(10,571.2)	(8,428.9)
- Proceeds from disposals	10.7	41.3
Right-of-use assets:		
- Proceeds from disposals	4.8	8.2
Additions of intangible assets	-	(145.8)
Net (increase)/decrease in deposits maturing more than 90 days	(1,038.9)	186.9
Net cash flows used in investing activities	<u>(5,782.1)</u>	<u>(14,366.2)</u>
Cash flows from financing activities		
Government development grants received	13.3	3.3
Borrowings:		
- Drawdowns	10,612.3	24,921.6
- Repayments	(14,188.9)	(12,860.5)
Finance cost paid	(2,860.4)	(2,657.2)
Repayments of lease obligations:		
- Principal	(2,375.5)	(2,116.7)
- Interest	(1,639.7)	(1,656.1)
Dividends paid to shareholders	(2,537.5)	(2,181.3)
Dividends paid to NCI	-	(17.7)
Redemption of RPS by NCI	(24.0)	(73.5)
Net increase in debt reserve accounts	(27.5)	(4.1)
Net decrease in cash at bank, held in trust	42.8	58.3
Net decrease/(increase) in restricted cash	0.5	(7.2)
Net cash flows (used in)/generated from financing activities	<u>(12,984.6)</u>	<u>3,408.9</u>
Net increase/(decrease) in cash and cash equivalents	13,451.8	(1,579.4)
Effects of changes in foreign currency	22.2	0.6
Cash and cash equivalents at the beginning of the financial year	<u>4,056.1</u>	<u>5,634.9</u>
Cash and cash equivalents at the end of the financial year	<u>17,530.1</u>	<u>4,056.1</u>
Deposit, bank and cash balances at the end of the financial year	19,390.5	4,893.4
Debt reserve account ¹	(181.2)	(153.7)
Cash at bank, held in trust ²	(222.8)	(265.6)
Restricted cash	(8.0)	(8.5)
Deposits maturing more than 90 days	(1,448.4)	(409.5)
Cash and cash equivalents at the end of the financial year	<u>17,530.1</u>	<u>4,056.1</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:

	Individual		Cumulative
	Current	Corresponding	Current
	quarter	quarter	year
	ended	ended	ended
	31.12.2023	31.12.2022	31.12.2023
			Preceding
			year
			ended
			31.12.2022
Sales:			
- Electricity	13,246.8	12,574.2	51,713.2
- Goods and services	294.7	219.5	916.5
Construction contracts	35.9	49.2	151.1
Customers' contributions	74.6	72.2	286.1
Total revenue	13,652.0	12,915.1	53,066.9
			50,867.7

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 year that have a material effect on the results of the current reporting year.

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 approved a final single tier dividend of 28.0 sen per ordinary share, in respect of the financial year ended 31 December 2023, totalling to approximately RM1,620.5 million (based on 5,787,331,871 paid-up share capital).

The books closure and payment dates will be announced in due course.

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

- (a) On 29 January 2024, a subsidiary of the Group, Sabah Electricity Sdn. Bhd. ('SESB') has accepted the loan restructuring proposal with regards to Rancangan Malaysia Ke-9, offered by the Ministry of Finance. The finalisation of the repayment schedule is expected to be completed by June 2024.
- (b) On 31 January 2024, a subsidiary of the Group, Vantage RE Ltd. completed its acquisition of 100% stake in project rights consisting of three onshore wind projects in Scotland, totalling up to 115MWp capacity for a total purchase consideration of GBP6.9 million. The Group has assessed and concluded that the acquisition is not an acquisition of business in accordance with MFRS 3 Business Combination, therefore the project rights are classified as acquisitions of assets.

13) CHANGES IN THE COMPOSITION OF THE GROUP

- (a) 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 RM1,184.9 million (AUD392.3 million). The total consideration was paid through cash drawn from a financing facility raised in the country concerned. Spark Renewables has been consolidated as subsidiaries of the Group.

The recognised provisional amounts of identifiable assets acquired and liabilities assumed in relation to Spark Renewables are as follows:

	Book value	Fair value
Non-current assets		
Property, plant and equipment	476.7	603.3
Intangible assets	2.4	429.4
Derivative financial instruments	88.2	88.2
Current assets		
Deposits, bank and cash balances	3.0	3.0
Other current assets	7.4	7.4
Current liabilities		
Payables	(5.1)	(5.1)
Non-current liabilities		
Deferred tax liabilities	(45.3)	(211.3)
Total identifiable net assets	527.3	914.9
Goodwill		270.0
Cash consideration paid		1,184.9

The goodwill from the acquisition is provisionally determined at RM270.0 million (AUD89.4 million) and is expected to be finalised by Quarter 3 FY2024, within 12 months in accordance with MFRS 3 Business Combination.

The goodwill is deemed to be attributable to Spark Renewable's future ability to develop and operate new renewable energy projects in Australia, as well as enhanced scale and operational diversity in its renewable projects portfolio.

13) CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUATION)

- (b) 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 has been completed in Quarter 4 of FY2023. As at 31 December 2023, GEL has ceased to be an associate of the Group.
- (c) On 20 December 2023, the Group, through its newly incorporated wholly owned subsidiary in United Kingdom, Vantage RE No 3 Ltd., completed its acquisition of a 100% stake in Dullarbtons Limited ('Gillinstown') and Elipsgeen Limited ('Rosspile') a solar portfolio which consists of two operational solar photovoltaics ('PV') facilities in the Republic of Ireland for a total purchase consideration of RM494.0 million (EUR97.5 million). As at 31 December 2023, both entities have been consolidated as subsidiaries of the Group.

The recognised provisional amounts of identifiable assets acquired and liabilities assumed in relation to Gillinstown and Rosspile are as follows:

	Book value	Fair value
Non-current assets		
Property, plant and equipment	875.9	975.4
Right-of-use assets	83.8	83.8
Derivative financial instruments	20.8	20.8
Long term receivables	2.6	2.6
Deferred tax assets	3.5	3.5
Current assets		
Receivables, deposits and prepayments	12.7	12.7
Deposits, bank and cash balances	47.9	47.9
Current liabilities		
Payables	(8.9)	(8.9)
Non-current liabilities		
Borrowings	(701.4)	(701.4)
Other liabilities	(2.4)	(4.9)
Lease liabilities	(83.8)	(83.8)
Deferred tax liabilities	-	(12.4)
Total identifiable net assets	250.7	335.3
Goodwill		158.7
Cash consideration paid		494.0

The goodwill from the acquisition is provisionally determined at RM158.7 million (EUR31.3 million) and is expected to be finalised by Quarter 4 FY2024, within 12 months in accordance with MFRS 3 Business Combination.

The goodwill consists of potential upsides from extension of useful life up to 40 years, technical improvements from performance ratio uplift and compensation for loss of revenue due to curtailment and constraint.

14) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:

	As at 31.12.2023	As at 31.12.2022
Claims by third parties	282.3	342.3
Trade guarantees and performance bonds	-	51.0
Total contingent liabilities	282.3	393.3

Claims by third parties include claims by contractors, consumers and statutory body. 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 ('TNB') – Reinvestment Allowance ('RA')

On 7 December 2016, TNB and the Inland Revenue Board of Malaysia ('IRBM') entered into a consent judgement before the Kuala Lumpur High Court to substitute judicial review proceedings for notices of additional assessment dated 23 November 2015 for Years of Assessment ('YA') 2013 and 2014 (referred to as 'Notices 1') arising from the disallowance of TNB's RA claims. The consent judgement also stipulates that the IRBM will not commence any proceedings relating to the Notices 1 until the matter is determined by the Special Commissioners of Income Tax ('SCIT') and the High Court, if there is a subsequent appeal by either party. On 15 December 2016, TNB filed appeals against the Notices 1 to the SCIT according to Section 99(1) of the Income Tax Act 1967, which have since been registered before the SCIT. However, the trial before the SCIT has been adjourned pending the Court of Appeal's decision on 16 May 2024 in relation to notice of additional assessment for the YA 2018.

Meanwhile, for the notices of additional assessment issued for the YAs 2015, 2016, and 2017 (referred to as 'Notices 2'), both TNB and the IRBM recorded a consent order for judicial review application before the High Court on 30 December 2020. On 22 August 2023, the High Court allowed TNB's judicial review application to set aside the Notices 2. The High Court agreed that TNB is in the business of manufacturing electricity and as such, TNB is entitled to claim RA on the capital expenditures which were incurred in the YAs 2015, 2016 and 2017 in the course of expanding, modernising and automating its business. In response, on 25 August 2023, the IRBM filed a notice of appeal against the High Court's decision. The Court of Appeal has fixed the hearing date on 3 October 2024.

With regards to the notice of additional assessment for the YA 2018 (referred to as 'Notice 3'), both TNB and the IRBM recorded a consent order for judicial review application before the High Court on 21 January 2021. On 8 February 2022, the High Court allowed with cost, TNB's judicial review application to set aside the Notice 3. The High Court agreed 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 the YA 2018 in the course of expanding, modernising and automating its business. Separately, on 8 February 2022, the IRBM filed a notice of appeal against the High Court's decision. Subsequent to the hearing and case management at the Court of Appeal on 6 February 2024 and 7 February 2024 respectively, the Court of Appeal has fixed the decision date on 16 May 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 with the above, TNB continued to claim the RA for YAs 2020, 2021, 2022 and 2023 as permitted by the law.

14) CONTINGENT LIABILITIES (CONTINUATION)

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

On 26 May 2023, the IRBM issued notices of assessment for YAs 2017, 2018, 2019, 2020 and 2021 amounting in aggregate to RM78.5 million to SPG.

On 6 June 2023, SPG filed a judicial review against the IRBM at the High Court to challenge the matters arising from the above-mentioned 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 until the substantive hearing on 11 January 2024. Due to an ongoing discussion with a view to a proposed settlement with the IRBM, the substantive hearing was vacated. The High Court has fixed a new hearing date on 28 March 2024.

Based on the legal advice obtained from its tax solicitors on the merits of the case, SPG is of the view that no provision is required for the potential tax liability up to the reporting date.

15) CAPITAL COMMITMENTS

	As at 31.12.2023	As at 31.12.2022
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	99,054.3	57,417.0
Contracted but not provided for in the financial statements	741.5	604.1
Total capital commitments	99,795.8	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 year ended 31 December 2023 against the corresponding year ended 31 December 2022:

Revenue for the year increased by 4.3% or RM2,199.2 million mainly due to the higher sales of electricity of RM2,010.9 million, up by 4.0% against the corresponding year with demand growth of 3.9%. ICPT was in a lower under-recovery position of RM10,598.2 million as compared to RM22,315.3 million in the last corresponding year.

Operating expenses decreased to RM57,371.1 million from RM64,612.1 million, lower by 11.2% or RM7,241.0 million. This has resulted in a lower operating profit of RM7,356.9 million, a decrease of RM2,052.6 million or 21.8% from the last corresponding year. This was mainly contributed by negative fuel margins during the current year added with impairment on intangible asset.

Despite the lower tax provisions recognised in the current year, profit after taxation for the current year under review decreased by 26.8% or RM953.8 million, from RM3,557.4 million reported in the corresponding year to RM2,603.6 million.

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

Revenue for the quarter under review increased from RM12,915.1 million to RM13,652.0 million, resulted from higher sales of electricity by 5.3% or RM672.6 million.

Operating profit for the current quarter decreased by 7.8% or RM117.5 million due to the lower ICPT under-recovery recognised in the current quarter of RM2,106.6 million as compared to RM6,397.7 million in the last corresponding quarter, offset by lower operating expenses of RM3,241.6 million.

Profit after taxation for the current quarter under review reduced by RM283.5 million or 35.1%, from RM807.9 million reported during the last corresponding quarter to RM524.4 million mainly due to unfavourable foreign exchange translation.

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

Performance of the current quarter (4th Quarter FY2023) against the preceding quarter (3rd Quarter FY2023):

The Group reported lower profit after tax of RM524.4 million in the current quarter as compared to RM877.4 million in the preceding quarter, a decrease of RM353.0 million. This was mainly due to the impairment of intangible asset recognised in the current quarter under review.

18) PROSPECTS

For the financial year 2023, the Group reported a fair performance mainly underpinned by electricity demand growth of 3.8%, consistent with the country's Gross Domestic Product (GDP) growth of 3.7%*. The regulated business of the Group continued to record stable performance whilst earnings from the non-regulated segment were impacted by negative fuel margin. The stabilising coal prices globally, coupled with stronger collection rate has improved the receivables and working capital position.

Going forward, with the Malaysian economy expected to grow at 4% to 5%** , the Group anticipates a reasonable performance for the year 2024 and will continue to remain cautious on the challenges ahead. As the Group strives for business growth, it will continue to take prudent measures in terms of its operational and financial requirements to ensure it remains resilient. The Group is committed to play an integral role to support the National Energy Transition Roadmap.

**Source: Bank Negara Malaysia*

***Budget 2024 Speech*

19) PROFIT FROM OPERATIONS

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

	Individual Current quarter ended 31.12.2023	Cumulative Current year ended 31.12.2023
Property, plant and equipment:		
- Depreciation	(2,048.0)	(7,783.7)
- Written-off and impairment	(53.5)	(53.5)
- Gain on disposals	4.3	14.3
- Reversal of abandoned projects	32.0	32.0
Right-of-use assets:		
- Depreciation	(849.3)	(3,482.0)
- Gain on disposals	0.5	2.6
Receivables:		
- Impairment losses	(6.6)	(120.2)
- Reversal of impairment losses	142.0	244.8
Contract assets:		
- Impairment losses	-	(25.2)
- Reversal of impairment losses	0.9	22.6
Amounts due from joint ventures:		
- Impairment losses	-	(0.4)
- Reversal of impairment losses	6.5	0.3
Inventories:		
- Provision for obsolescence	(14.5)	(59.0)
- Write back of obsolescence	45.6	93.4
- Written off	(40.0)	(98.7)
Investment in unquoted debt securities		
- Impairment losses	-	(5.9)
- Reversal of impairment losses	0.1	2.9
Intangible asset		
- Impairment losses	(123.6)	(123.6)
Investment in joint venture		
- Impairment losses	(0.5)	(1.3)
Investment in associate		
- Impairment losses	(31.2)	(35.9)
- Gain on disposal	21.3	21.3

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 31.12.2023	Individual Corresponding quarter ended 31.12.2022	Current year ended 31.12.2023	Cumulative Preceding year ended 31.12.2022
Income tax:				
Current tax and zakat	20.5	192.1	(611.1)	(1,469.0)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(170.0)	(200.9)	(158.9)	(322.2)
Total taxation and zakat	(149.5)	(8.8)	(770.0)	(1,791.2)

For the reporting period ended 31 December 2023, the Group recorded a 22.8% 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 31.12.2023	As at 31.12.2022
Short term	- secured	2,257.1	1,708.0
	- unsecured	4,773.5	11,554.2
Sub-total		7,030.6	13,262.2
Long term	- secured	22,739.2	22,742.4
	- unsecured	32,000.4	27,877.6
Sub-total		54,739.6	50,620.0
Total		61,770.2	63,882.2

- (b) Currency denominations:

	As at 31.12.2023	As at 31.12.2022
United States Dollar (USD)	8,848.8	8,496.8
Great Britain Pound (GBP)	3,603.1	3,161.1
Japanese Yen (JPY)	1,664.7	1,812.4
Australian Dollar (AUD)	1,401.0	-
Euro (EUR)	1,171.5	-
Total Ringgit equivalent of foreign currency borrowings	16,689.1	13,470.3
Ringgit borrowings	45,081.1	50,411.9
Total	61,770.2	63,882.2

- (c) Effective average cost of borrowing based on exposure as at 31 December 2023 was 4.75% (31 December 2022: 4.63%).
- (d) Repayments of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM407.5 million; and
 - (ii) Ringgit denominated loans of RM13,781.4 million.
- (e) Drawdowns of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM2,204.9 million; and
 - (ii) Ringgit denominated loans of RM8,407.4 million.

24) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31.12.2023	
	Notional Amount	Fair value
Forward Foreign Currency Contracts		
- Less than 1 year	256.8	(1.4)
Interest Rate Swap Contracts		
- More than 3 years	1,129.1	64.0
Profit Rate Swap Contracts		
More than 3 years	304.1	1.7
Power Purchase Agreement		
- More than 3 years	211.5	91.8
Total	1,901.5	156.1

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.

Bomen Solar Farm Pty Ltd, a subsidiary of Spark Renewables entered into Power Purchase Agreement with Westpac Banking Corporation and Progressive Green Pty Ltd trading on 16 April 2019 and 21 December 2018 respectively. As of 31 Dec 2023, the notional amount of the derivative instrument was RM211.5 million (AUD67.3 million).

The Power Purchase Agreements are accounted for as derivative financial instruments under MFRS 9 Financial instruments and recorded at fair value in accordance with the requirements of MFRS 13 Fair Value Measurement.

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 31.12.2023	Individual Corresponding quarter ended 31.12.2022	Current year ended 31.12.2023	Cumulative Preceding year ended 31.12.2022
Profit attributable to owners of the Company	583.9	809.1	2,770.3	3,463.3
Weighted average number of ordinary shares in issue ('000)	5,771,843	5,738,438	5,771,843	5,738,438
Basic earnings per share (sen)	10.12	14.10	48.00	60.35
Weighted average number of ordinary shares in issue ('000)	5,771,843	5,738,438	5,771,843	5,738,438
Adjustments for LTIP ('000)	25,008	35,837	25,008	35,837
Weighted average number of diluted ordinary shares ('000)	5,796,851	5,774,275	5,796,851	5,774,275
Diluted earnings per share (sen)	10.07	14.01	47.79	59.98

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the year.

28) RESTATEMENT AND EFFECT OF CHANGE IN PRESENTATION

(a) Financial asset at FVOCI

During the year, the Group changed the presentation of the consolidated statement of comprehensive income to provide a better reflection of the classification of financial assets at FVOCI. It is now presented under "Item that will not be reclassified subsequently to profit or loss" from "Item that may be reclassified subsequently to profit or loss".

(b) Reclassification for deposits maturing more than 90 days

The Group also changed the presentation of the consolidated statement of cash flows. This is to reflect the right classification of the item of net decrease in deposits maturing more than 90 days based on the nature of the transaction.

The following table shows the adjustments for each individual line item. Line items that were not affected by the changes have not been included.

Reconciliation of consolidated statement of cash flows

	As previously reported as at 31 Dec 2022	Adjustments Effect of change	As restated 31 Dec 2022
Group			
Cash flows from financing activities			
Net cash flows used in financing activities	3,595.8	(186.9)	3,408.9
Cash flows from investing activities			
Net cash flows used in investing activities	(14,553.1)	186.9	(14,366.2)

By Order of the Board



ALI MUNAWAR BIN SALIM
COMPANY SECRETARY
MAICSA 7021901
SSM PRACTICING CERTIFICATE NO.: 201908002911

Kuala Lumpur
27 February 2024