

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 2022

(Amounts in RM million unless otherwise stated)

	Current quarter ended 31.03.2022	Individual Corresponding quarter ended 31.03.2021
Revenue	15,658.5	11,478.0
Operating expenses	(13,431.8)	(9,146.5)
Net loss on impairment of financial instruments	(35.7)	(180.4)
Other operating income	178.6	176.7
Operating profit	2,369.6	2,327.8
Foreign exchange		
- Translation gain/(loss)	42.7	(56.8)
- Transaction gain/(loss)	0.3	(41.7)
Share of results of joint ventures	6.0	6.3
Share of results of associates	30.0	16.3
Profit before finance cost	2,448.6	2,251.9
Finance income	46.2	48.0
Finance cost	(1,003.0)	(931.9)
Fair value changes of financial instruments	40.2	109.3
Profit before taxation and zakat	1,532.0	1,477.3
Taxation and zakat		
- Company and subsidiaries	(529.9)	(564.7)
- Deferred taxation	(130.9)	60.9
Profit for the period	871.2	973.5
Attributable to:		
- Owners of the Company	893.1	958.7
- Non-controlling interests	(21.9)	14.8
Profit for the period	871.2	973.5
Earnings per share attributable to the owners of the Company:		
	Sen	Sen
Basic	15.60	16.81
Diluted	15.52	16.74

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 2021.



A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 31 MARCH 2022

(Amounts in RM million unless otherwise stated)

	Current quarter ended 31.03.2022	Individual Corresponding quarter ended 31.03.2021
Profit for the period	871.2	973.5
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Defined benefit plan actuarial gain	175.0	919.5
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	(74.4)	100.0
Fair value changes of financial assets at fair value through other comprehensive income ('FVOCI')	(0.2)	1.5
Share of other comprehensive loss of associates accounted for using the equity method	(26.9)	-
Total other comprehensive income	73.5	1,021.0
Total comprehensive income for the period	944.7	1,994.5
Attributable to:		
- Owners of the Company	950.1	1,966.1
- Non-controlling interests	(5.4)	28.4
Total comprehensive income for the period	944.7	1,994.5

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(Amounts in RM million unless otherwise stated)

	31.03.2022	31.12.2021
NON-CURRENT ASSETS		
Property, plant and equipment	113,969.9	114,105.6
Right-of-use assets	40,227.6	34,711.2
Joint ventures	236.6	230.7
Associates	1,613.8	1,636.4
Goodwill on consolidation	412.0	438.4
Investment in unquoted debt security	252.0	250.1
Tax recoverable	3,522.4	3,522.4
Deferred tax assets	371.8	372.6
Long term receivables	158.0	167.1
Finance lease receivables	8.3	8.7
Financial assets at FVOCI	62.6	62.8
Contract cost assets	1.3	0.8
Financial assets at fair value through profit or loss ('FVTPL')	71.9	70.0
Derivative financial instruments	15.9	1.2
	<u>160,924.1</u>	<u>155,578.0</u>
CURRENT ASSETS		
Inventories	2,315.2	1,977.1
Receivables, deposits and prepayments	14,067.6	10,547.7
Contract assets	3,937.7	3,318.2
Contract cost assets	119.5	111.0
Tax recoverable	1,151.3	1,472.7
Finance lease receivables	1.3	1.3
Amounts due from joint ventures	48.5	43.5
Amounts due from associates	488.4	342.7
Derivative financial instruments	0.1	-
Investment in unquoted debt security	50.0	50.0
Financial assets at FVTPL	4,364.6	2,452.3
Deposits, bank and cash balances	4,669.8	6,706.1
	<u>31,214.0</u>	<u>27,022.6</u>
CURRENT LIABILITIES		
Payables	(10,111.8)	(8,596.7)
Contract liabilities	(574.8)	(492.3)
Derivative financial instruments	(0.3)	(0.4)
Lease liabilities	(3,166.1)	(3,098.9)
Amounts due to associates	(290.2)	(183.8)
Current tax liabilities	(173.1)	(43.9)
Employee benefits	(768.2)	(768.2)
Consumer deposits	(7,273.1)	(7,040.2)
Short term borrowings	(8,790.8)	(6,992.5)
	<u>(31,148.4)</u>	<u>(27,216.9)</u>
NET CURRENT ASSETS/(LIABILITIES)	65.6	(194.3)
NON-CURRENT LIABILITIES		
Borrowings	(44,632.5)	(44,685.7)
Derivative financial instruments	(4.9)	(38.7)
Contract liabilities	(4,408.7)	(4,355.7)
Government development grants	(930.9)	(948.4)
Lease liabilities	(32,036.8)	(26,143.0)
Deferred tax liabilities	(8,206.4)	(8,178.2)
Other liabilities	(953.6)	(975.3)
Employee benefits	(11,529.6)	(11,666.3)
	<u>(102,703.4)</u>	<u>(96,991.3)</u>
TOTAL NET ASSETS	58,286.3	58,392.4
EQUITY		
Share capital	11,927.6	11,927.6
Other reserves	(6,702.9)	(6,813.3)
Retained profits	51,356.5	51,494.1
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	56,581.2	56,608.4
NON-CONTROLLING INTERESTS	1,705.1	1,784.0
TOTAL EQUITY	58,286.3	58,392.4

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 1st QUARTER ENDED 31 MARCH 2022

(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 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 reserve	-	(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)
Employee benefits reserve	-	156.3	-	18.7	175.0
Total comprehensive income/(loss)	-	57.0	893.1	(5.4)	944.7
Long Term Incentive Plan ('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
At 1 January 2021	11,675.2	(8,242.7)	52,400.7	1,616.7	57,449.9
Profit for the financial period	-	-	958.7	14.8	973.5
Foreign currency translation reserve	-	99.3	-	0.7	100.0
Fair value changes of financial assets at FVOCI	-	1.5	-	-	1.5
Employee benefits reserve	-	906.6	-	12.9	919.5
Total comprehensive income	-	1,007.4	958.7	28.4	1,994.5
LTIP:					
- Share-based payment expense	-	51.9	-	-	51.9
Dividends:					
- Final dividend for FY2020	-	-	(1,026.8)	-	(1,026.8)
- Special dividend for FY2020	-	-	(2,281.9)	-	(2,281.9)
Total transactions with owners	-	51.9	(3,308.7)	-	(3,256.8)
At 31 March 2021	11,675.2	(7,183.4)	50,050.7	1,645.1	56,187.6

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 2021.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 1st QUARTER ENDED 31 MARCH 2022

(Amounts in RM million unless otherwise stated)

	FY2022 ended 31.03.2022	FY2021 ended 31.03.2021
Operating activities		
Cash generated from operations	1,141.1	5,692.4
Post-employment benefits paid	(205.1)	(218.5)
Contract liabilities received	186.8	153.2
Consumer deposits received	191.6	191.1
Taxation and zakat paid	(198.4)	(240.5)
Net cash flows generated from operating activities	<u>1,116.0</u>	<u>5,577.7</u>
Investing activities		
Additional investments in:		
- FVTPL	(18,421.8)	(17,511.1)
Proceeds from redemptions:		
- Redeemable preference shares in associates	1.9	-
Disposals of FVTPL	16,503.8	13,384.5
Dividend income received	11.1	13.6
Finance income received	21.1	14.1
Property, plant and equipment:		
- Additions	(1,667.7)	(1,753.5)
- Proceeds from disposals	0.8	2.9
Right-of-use assets:		
- Proceeds from disposals	-	0.1
Net cash flows used in investing activities	<u>(3,550.8)</u>	<u>(5,849.4)</u>
Financing activities		
Government development grants received	7.1	0.2
Bank borrowings:		
- Drawdowns	5,131.4	1,323.0
- Repayments	(3,480.9)	(640.7)
Finance cost paid for borrowings	(361.1)	(332.3)
Repayments of lease obligations:		
- Principal	(467.1)	(658.6)
- Interest	(369.1)	(377.6)
Redemption of Redeemable Preference Shares from NCI	(73.5)	-
Net increase in debt reserve accounts	(170.1)	(16.7)
Net decrease in cash at bank, held in trust	2.4	49.3
Net (increase)/decrease in restricted cash	(0.1)	104.0
Net decrease/(increase) in deposits maturing more than 90 days	28.2	(39.1)
Net cash flows generated/(used in) financing activities	<u>247.2</u>	<u>(588.5)</u>
Net decrease in cash and cash equivalents	(2,187.6)	(860.2)
Effects of changes in foreign currency	11.7	0.4
Cash and cash equivalents at the beginning of the period	<u>5,634.9</u>	<u>5,023.0</u>
Cash and cash equivalents at the end of the period	<u>3,459.0</u>	<u>4,163.2</u>
Deposit, bank and cash balances at the end of the period	<u>4,669.8</u>	<u>5,484.2</u>
Debt reserve account ¹	(319.7)	(153.8)
Cash at bank, held in trust ²	(321.5)	(351.9)
Restricted cash	(1.4)	(3.2)
Deposits maturing more than 90 days	(568.2)	(812.1)
Cash and cash equivalents at the end of the period	<u>3,459.0</u>	<u>4,163.2</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 2021.

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 2021.

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 2021.

2) AUDIT QUALIFICATION

The audited financial statements for the financial year ended 31 December 2021 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 2021.

Amendments to Standards that are applicable and effective to the Group beginning 1 January 2022 are as follows:

- a) Amendments to MFRS 3 'Business Combinations' on Reference to the Conceptual Framework
- b) Amendments to MFRS 9 'Financial Instruments' on Annual Improvements to MFRS Standards 2018-2020
- c) Amendments to MFRS 16 'Leases' on COVID-19 Related Rent Concessions beyond 30 June 2021
- d) Amendments to MFRS 116 'Property, Plant and Equipment' on Proceeds before Intended Use
- e) Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts – Cost of Fulfilling a Contract

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 31.03.2022	Individual Corresponding quarter ended 31.03.2021
Sales:		
- Electricity	11,901.1	11,647.3
- Under/(Over) recovery of Imbalance Cost Pass-Through ('ICPT')	3,505.4	(327.3)
- Goods and services	148.0	93.5
Construction contracts	37.5	10.5
Customers' contributions	66.5	54.0
Total revenue	15,658.5	11,478.0

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 reporting period.

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 2022.

The final single-tier dividend for Financial Year 2021 was paid on 15 April 2022 totalling RM1,030.7 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

As announced to Bursa Malaysia on 4 April 2022, TNB through its indirect wholly-owned subsidiary, Vantage RE Ltd, has completed its acquisition of a 100% stake in Clean Energy and Infrastructure UK Limited group, a 97.3MW onshore wind portfolio in the United Kingdom from a number of fund vehicles advised by Capital Dynamics Limited, an independent global private asset management firm and one of the world's leading clean energy investors, for a total consideration of GBP145.9 million.

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

Contingent liabilities of the Group include the following:-

	As at 31.03.2022	As at 31.12.2021
Claims by third parties	448.2	423.8
Trade guarantees and performance bonds	60.9	54.4
Total contingent liabilities	509.1	478.2

14) CONTINGENT LIABILITIES (CONTINUATION)

On 7 December 2016, the Company 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 the Company's reinvestment allowance ('RIA') 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, the Company 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 and leave to commence judicial review. Subsequently, the High Court had fixed the substantive hearing for the judicial review application on 16 March 2022.

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, the Company'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 RIA 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. Subsequent to the case management on 17 May 2022, the Court of Appeal had instructed parties to attend case management on 18 July 2022 for IRB to update the Court of Appeal on the status of the records of appeal.

The Company 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.

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.

14) CONTINGENT LIABILITIES (CONTINUATION)

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 RIA for YAs 2020 and 2021 whilst KEV continued to claim tax deductions for YAs 2019, 2020 and 2021 as permitted by the law.

15) CAPITAL COMMITMENTS

	As at 31.03.2022	As at 31.12.2021
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	49,935.5	53,628.5
Contracted but not provided for in the financial statements	580.3	642.8
Total capital commitments	50,515.8	54,271.3

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 2022 against the corresponding period ended 31 March 2021:

Revenue for the period increased by 36.4% to RM15,658.5 million from RM11,478.0 million mainly due to the under-recovery position of ICPT of RM3,505.4 million as compared to the last corresponding period which was in an over-recovery position of RM327.3 million.

Operating expenses rose by 46.9% from RM9,146.5 million to RM13,431.8 million mainly due to higher fuel price which was passed through the ICPT. However, the operating profit recorded a slight increase of RM41.8 million or 1.8% due to lower net loss on impairment of financial instruments.

Profit after taxation for the period under review reduced by 10.5% or RM102.3 million, from RM973.5 million reported in the corresponding period to RM871.2 million, mainly contributed by higher tax expenses of RM157.0 million. The higher tax expense was due to an increase in deferred tax expense of RM191.8 million and a reduction in current tax expense of RM34.8 million which was due to lower taxable income, despite of additional tax on Cukai Makmur for FY2022 amounting to RM113.5 million.

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

Performance of the current quarter (1st Quarter FY2022) against the preceding quarter (4th Quarter FY2021):

Revenue for the quarter under review reduced from RM15,735.1 million to RM15,658.5 million resulted from lower sales of electricity in the current quarter by RM101.9 million or 0.9%.

However, the operating profit increased by RM796.6 million, from RM1,573.0 million to RM2,369.6 million in the current quarter, due to the reduction in operating expenses of RM1,066.7 million offset by the lower other operating income of RM191.1 million.

The profit after taxation has reduced by RM121.3 million, from RM992.5 million in the preceding quarter to RM871.2 million in the quarter under review mainly due to higher tax expenses.

18) PROSPECTS

The gradual and controlled easing of Covid-19 restrictions has shown improvements in our economy. The projection is that the economy is expected to grow by 5.3% to 6.3%* in 2022 driven by domestic and global demand as well as improvement in the labour market. However, on-going risks to growth remain, in particular on the expectation of higher core inflation arising from global commodity price surge amid heightened geopolitical conflicts and the on-going Russia-Ukraine conflict could have an impact on the growth.

For the first quarter financial year 2022, the Group reported a resilient performance underpinned by electricity demand growth of 4%, consistent with the overall improvement of Malaysia's Gross Domestic Product (GDP) of 5% year-on-year. The prevailing quarter saw the Group continues to face challenges arising from the global increase in coal price and increase in customer's credit risk.

The Group foresees a reasonable performance for the year 2022 with the implementation of RP3 effective from 1st February 2022. However, the Group remains cautious on the prolonged increase in coal price and impact from increase customer's credit risk outlook.

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 forecast*

19) PROFIT FROM OPERATIONS

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

	Individual Current quarter ended 31.03.2022
Property, plant and equipment:	
- Depreciation	(1,806.9)
- Gain on disposals	0.8
Right-of-use assets:	
- Depreciation	(961.3)
Receivables:	
- Impairment losses	(32.5)
- Reversal of impairment losses	12.8
Contract assets:	
- Impairment losses	(25.5)
Amount due from joint ventures:	
- Impairment losses	(1.2)
- Reversal of impairment losses	13.0
Inventories:	
- Provision for obsolescence	(10.9)
- Write back of obsolescence	5.4
- Written off	(31.9)
Impairment losses on:	
- Investments in unquoted debt security	(0.2)
- Goodwill on consolidation	(22.7)

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 31.03.2022	Individual Corresponding quarter ended 31.03.2021
Income tax:		
Current tax and zakat	(529.9)	(564.7)
Deferred tax (net):		
Relating to origination and reversal of temporary differences	(130.9)	60.9
Total taxation and zakat	(660.8)	(503.8)

For the reporting period ended 31 March 2022, the Group recorded a 43.1% effective tax rate, which is higher than the statutory tax rate of 24.0%. The effective tax rate is higher in the current period due to the one-off Cukai Makmur in FY2022 and expenses not allowable for tax.

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 31.03.2022	As at 31.12.2021
Short term - secured	2,004.4	1,897.6
- unsecured	6,786.4	5,094.9
Sub-total	8,790.8	6,992.5
Long term - secured	22,535.3	22,493.4
- unsecured	22,097.2	22,192.3
Sub-total	44,632.5	44,685.7
Total	53,423.3	51,678.2

- (b) Currency denominations:

	As at 31.03.2022	As at 31.12.2021
US Dollar	8,178.9	8,035.9
GBP	2,281.5	2,357.0
Japanese Yen	1,932.1	2,092.0
Total Ringgit equivalent of foreign currency borrowings	12,392.5	12,484.9
Ringgit borrowings	41,030.8	39,193.3
Total	53,423.3	51,678.2

- (c) Effective average cost of borrowing based on exposure as at 31 March 2022 was 4.57% (31 December 2021: 4.61%).
- (d) Repayments of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM1,556.5 million; and
 - (ii) Ringgit denominated loans of RM1,924.4 million.
- (e) Drawdowns of debts during the reporting period were as follows:
- (i) Foreign currency denominated loans of RM1,518.5 million; and
 - (ii) Ringgit denominated loans of RM3,612.9 million.

24) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31.03.2022	
	Notional Amount	Fair Value
Forward Foreign Currency Contracts		
- Spot	122.6	0.1
- Less than 1 year	70.5	(0.3)
Interest Rate Swap Contracts		
- 1 year to 3 years	38.1	0.1
- More than 3 years	493.4	10.9
Profit Rate Swap Contracts		
- More than 3 years	342.8	0
Total	1,067.4	10.8

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 31.03.2022	Individual Corresponding quarter ended 31.03.2021
Profit attributable to owners of the Company	893.1	958.7
Weighted average number of ordinary shares in issue ('000)	5,726,091	5,704,654
Basic earnings per share (sen)	15.60	16.81
Weighted average number of ordinary shares in issue ('000)	5,726,091	5,704,654
Adjustments for LTIP ('000)	28,593	21,426
Weighted average number of diluted ordinary shares ('000)	5,754,684	5,726,080
Diluted earnings per share (sen)	15.52	16.74

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

By Order of the Board



NORAZNI BINTI MOHD ISA

COMPANY SECRETARY

LS 0009635

SSM PRACTICING CERTIFICATE NO.: 201908000492

Kuala Lumpur
30 May 2022