

The Board of Directors is pleased to announce the following:

A. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 31 AUGUST 2017
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT QUARTER ENDED 31.08.17	CORRESPONDING QUARTER ENDED 31.08.16	CURRENT YEAR ENDED 31.08.17	PRECEDING YEAR ENDED 31.08.16
Revenue	12,463.8	11,236.7	47,416.9	44,531.5
Operating expenses	(10,608.0)	(9,354.6)	(39,074.2)	(36,171.0)
Other operating income	476.5	203.3	1,021.3	711.5
Operating profit	2,332.3	2,085.4	9,364.0	9,072.0
Foreign exchange				
- Translation loss	(2.3)	(114.8)	(13.7)	(390.0)
- Transaction (loss)/gain	(11.9)	7.2	21.6	31.8
Share of results of joint ventures	5.8	6.2	25.0	26.0
Share of results of associates	62.6	18.4	103.3	67.3
Profit before finance cost	2,386.5	2,002.4	9,500.2	8,807.1
Finance income	63.4	150.3	237.6	299.0
Finance cost	(297.5)	(280.4)	(1,456.0)	(1,039.3)
Profit before taxation and zakat	2,152.4	1,872.3	8,281.8	8,066.8
Taxation and Zakat				
- Company and subsidiaries	(200.7)	(82.9)	(643.7)	(619.2)
- Deferred taxation	(217.2)	(53.0)	(726.0)	(126.8)
Profit for the period	1,734.5	1,736.4	6,912.1	7,320.8
Attributable to:				
- Owners of the Company	1,719.2	1,762.2	6,904.0	7,367.6
- Non-controlling interests	15.3	(25.8)	8.1	(46.8)
Profit for the period	1,734.5	1,736.4	6,912.1	7,320.8
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	30.38	31.22	122.00	130.55
Diluted	30.26	31.13	121.52	130.16

These audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2016.

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A. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 31 AUGUST 2017 (CONTINUATION)

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT QUARTER ENDED 31.08.17	CORRESPONDING QUARTER ENDED 31.08.16	CURRENT YEAR ENDED 31.08.17	PRECEDING YEAR ENDED 31.08.16
Profit for the period	1,734.5	1,736.4	6,912.1	7,320.8
Other comprehensive income/(expense)				
Items that will not be reclassified subsequently to profit or loss				
Defined benefit plan actuarial gain/(loss)	10.1	(490.2)	24.7	(719.2)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	40.8	(47.5)	(184.6)	(5.0)
Fair value of available-for-sale financial assets	0.7	0.1	33.3	0.1
Share of other comprehensive loss of associates accounted for using the equity method	(86.2)	-	(86.2)	-
Total other comprehensive expense for the period	(34.6)	(537.6)	(212.8)	(724.1)
Total comprehensive income for the period	1,699.9	1,198.8	6,699.3	6,596.7
Attributable to:				
- Owners of the Company	1,684.6	1,224.6	6,691.2	6,643.5
- Non-controlling interests	15.3	(25.8)	8.1	(46.8)
Total comprehensive income for the period	1,699.9	1,198.8	6,699.3	6,596.7

These audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2016.

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**B. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017**

(Amounts in RM million unless otherwise stated)

	31.08.2017	31.08.2016
NON-CURRENT ASSETS		
Property, plant and equipment	103,083.7	96,512.7
Joint ventures	152.3	138.9
Associates	2,937.8	1,699.3
Goodwill on consolidation	211.0	211.0
Investment in unquoted debt security	275.7	15.4
Tax recoverable	1,765.1	1,693.2
Deferred tax assets	77.0	31.2
Long term receivables	549.7	620.3
Finance lease receivable	13.8	13.6
Prepaid operating leases	5,353.7	5,172.7
Available-for-sale financial assets	71.9	38.6
	<u>114,491.7</u>	<u>106,146.9</u>
CURRENT ASSETS		
Non-current assets held for sale	-	31.6
Inventories	828.7	792.3
Receivables, deposits and prepayments	8,962.2	8,276.8
Tax recoverable	83.8	125.0
Finance lease receivable	0.7	0.7
Prepaid operating leases	139.1	150.1
Amounts due from joint ventures	0.6	6.0
Amounts due from associates	226.3	202.4
Derivative financial instruments	1.2	16.8
Financial assets at fair value through profit or loss	12,221.9	13,182.4
Deposits, bank and cash balances	5,056.2	3,971.2
	<u>27,520.7</u>	<u>26,755.3</u>
CURRENT LIABILITIES		
Payables	(10,245.0)	(11,409.1)
Finance lease payables	(329.6)	(661.6)
Deferred income	(1,460.9)	(1,139.2)
Amounts due to associates	(636.9)	(559.5)
Current tax liabilities	(85.2)	(50.6)
Derivative financial instruments	(10.9)	(12.9)
Employee benefits	(749.9)	(762.3)
Short term borrowings	(1,808.1)	(1,488.8)
	<u>(15,326.5)</u>	<u>(16,084.0)</u>
NET CURRENT ASSETS	12,194.2	10,671.3
NON-CURRENT LIABILITIES		
Borrowings	(37,038.4)	(32,817.9)
Consumer deposits	(5,073.4)	(4,551.1)
Finance lease payables	(4,988.9)	(5,287.2)
Deferred income	(993.9)	(1,165.6)
Other liabilities	(1,413.1)	(1,366.8)
Deferred tax liabilities	(7,728.3)	(6,961.9)
Employee benefits	(10,887.3)	(11,048.8)
Government development grants	(977.8)	(1,019.2)
	<u>(69,101.1)</u>	<u>(64,218.5)</u>
TOTAL NET ASSETS	<u>57,584.8</u>	<u>52,599.7</u>
EQUITY		
Share capital	11,124.9	5,643.6
Share premium	-	5,382.2
Other reserves	(6,128.8)	(5,967.2)
Retained profits	52,115.3	47,330.0
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
	57,111.4	52,388.6
NON-CONTROLLING INTERESTS		
	473.4	211.1
TOTAL EQUITY	<u>57,584.8</u>	<u>52,599.7</u>

These audited Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2016.



C. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2017

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company				Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits		
At 1 September 2016	5,643.6	5,382.2	(5,967.2)	47,330.0	211.1	52,599.7
Profit for the financial year	-	-	-	6,904.0	8.1	6,912.1
Foreign currency translation reserve	-	-	(184.6)	-	-	(184.6)
Fair value of available-for-sale financial assets	-	-	33.3	-	-	33.3
Share of other comprehensive loss of associates accounted for using the equity method	-	-	(86.2)	-	-	(86.2)
Employee benefit reserve	-	-	24.7	-	-	24.7
Total comprehensive income	-	-	(212.8)	6,904.0	8.1	6,699.3
Transactions with owners						
Issuance of share capital due to vesting of Long Term Incentive Plan	99.1	-	(185.9)	86.8	-	-
Long Term Incentive Plan	-	-	237.1	-	-	237.1
Dividend paid:						
- Final for FY2016	-	-	-	(1,243.5)	-	(1,243.5)
- Interim for FY2017	-	-	-	(962.0)	-	(962.0)
Capital contribution owing to NCI	-	-	-	-	254.6	254.6
Dividend paid to NCI	-	-	-	-	(0.4)	(0.4)
	99.1	-	51.2	(2,118.7)	254.2	(1,714.2)
Transition to no-par value regime on 31 January 2017¹	5,382.2	(5,382.2)	-	-	-	-
At 31 August 2017	11,124.9	-	(6,128.8)	52,115.3	473.4	57,584.8

¹ The new Companies Act 2016 ('Act'), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM5,382,186,956.74 for purposes as set out in Section 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

	Attributable to owners of the Company				Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits		
At 1 September 2015	5,643.6	5,382.2	(5,416.9)	41,599.1	258.9	47,466.9
Profit for the financial year	-	-	-	7,367.6	(46.8)	7,320.8
Foreign currency translation reserve	-	-	(5.0)	-	-	(5.0)
Fair value of available-for-sale financial assets	-	-	0.1	-	-	0.1
Employee benefit reserve	-	-	(719.2)	-	-	(719.2)
Total comprehensive income	-	-	(724.1)	7,367.6	(46.8)	6,596.7
Transactions with owners						
Dividend paid to NCI	-	-	-	-	(1.0)	(1.0)
Dividend paid:						
- Final for FY2015	-	-	-	(1,072.3)	-	(1,072.3)
- Interim for FY2016	-	-	-	(564.4)	-	(564.4)
Gross obligation under put option	-	-	(70.8)	-	-	(70.8)
Long Term Incentive Plan	-	-	244.6	-	-	244.6
	-	-	173.8	(1,636.7)	(1.0)	(1,463.9)
At 31 August 2016	5,643.6	5,382.2	(5,967.2)	47,330.0	211.1	52,599.7

These audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2016.

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D. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

(Amounts in RM million unless otherwise stated)

	FY2017 ended 31.08.17	FY2016 ended 31.08.16
Operating activities		
Cash generated from operations	12,316.6	13,365.6
Retirement benefits paid	(898.4)	(815.4)
Customer contributions received	1,243.7	1,099.1
Consumer deposits received	522.3	363.8
Tax paid	(625.7)	(720.6)
Net cash flows generated from operating activities	<u>12,558.5</u>	<u>13,292.5</u>
Investing activities		
Investment in:		
- associates	(1,387.9)	(1,044.6)
- unquoted debt security	(338.0)	-
Dividend received	51.2	66.9
Interest received	105.9	117.3
Investment in FVTPL:		
- additions	(69,330.5)	(72,325.1)
- disposals	70,488.7	65,893.6
Property, plant and equipment:		
- purchases	(12,519.7)	(11,142.8)
- disposals	182.9	35.9
Proceeds from redemption of unquoted debt security	62.3	-
Proceeds from disposal of assets held for sale	-	2.9
Net cash flows used in investing activities	<u>(12,685.1)</u>	<u>(18,395.9)</u>
Financing activities		
Bank borrowings:		
- drawdowns	6,074.0	11,416.2
- repayments	(1,600.4)	(2,352.8)
Interest paid	(1,084.4)	(890.3)
Dividends paid to non-controlling interest	(0.4)	(1.0)
Dividends paid	(2,205.5)	(1,636.7)
Government development grants received	27.0	74.1
Net increase in debt reserve account	4.5	(16.1)
Net increase in cash at bank, held in trust	11.9	(54.4)
Net cash flows generated from financing activities	<u>1,226.7</u>	<u>6,539.0</u>
Net increase in cash and cash equivalents	1,100.1	1,435.6
Currency translation differences	1.3	(6.2)
Cash and cash equivalents at the beginning of the period	<u>3,411.5</u>	<u>1,982.1</u>
Cash and cash equivalents at the end of the period	<u>4,512.9</u>	<u>3,411.5</u>
Deposit, bank and cash balances at end of the period	5,056.2	3,971.2
Debt Reserve Account ¹	(249.8)	(254.3)
Cash at bank, held in trust ²	<u>(293.5)</u>	<u>(305.4)</u>
Cash and cash equivalents at the end of the period	<u>4,512.9</u>	<u>3,411.5</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 of Malaysia by a subsidiary for designated capital projects.

These audited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2016.

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E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These audited 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 Financial Reporting Standards ('IFRS') 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 year ended 31 August 2016.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and joint arrangements as at 31 August 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 August 2016.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2016 were not subject to any qualification.

3) CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 August 2016 except for the adoption of new standards, amendments to standards and Interpretations Committee ('IC') interpretations that are mandatory for the Group for financial year beginning 1 September 2016.

New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2016:

- Amendment to MFRS 11 'Joint Arrangements' ('MFRS 11')
- Amendments to MFRS 116 and MFRS 138; 'Clarification of Acceptable Methods of Depreciation and Amortisation'
- Amendments to MFRS 127 'Separate Financial Statements' ('MFRS 127')
- Amendments to MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' ('MFRS 5')
- Amendments to MFRS 7 'Financial Instruments: Disclosures' ('MFRS 7')
- Amendment to MFRS 119 'Employee Benefits' ('MFRS 119')
- Amendment to MFRS 134 'Interim Financial Reporting' ('MFRS 134')
- Amendments to MFRS 10, MFRS 12 and MFRS 128; 'Investment Entities: Applying the Consolidation Exception'
- Amendments to MFRS 101 'Presentation of Financial Statements' ('MFRS 101')

The impact of the new accounting standards, amendments to published standards and improvements to the standards on the financial statements of the Group is not material.

4) SEASONAL OR CYCLICAL FACTORS

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

5) 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.

6) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no 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 period.

7) DEBT AND EQUITY SECURITIES

Except for those disclosed in Note 22, there were no other material transactions relating to debts and equity securities during the period under review.

8) DIVIDENDS

The Board of Directors has proposed a final single tier dividend of 44.0 sen per share, on 5,659,015,071 ordinary share in respect of the year ended 31 August 2017 amounting to a total of RM2,490.0 million. This is subject to the approval at the forthcoming Annual General Meeting.

The Books Closure and payment dates will be announced in due course.

A final dividend for Financial Year 2016 was paid on 31 December 2016 totalling RM1,243.5 million.

An interim dividend for Financial Year 2017 was paid on 31 May 2017 totalling RM962.0 million.

9) 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.

10) VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

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

On 14 September 2017, Southern Power Generation Sdn. Bhd. ('SPG'), a fifty-one percent (51.0%) owned subsidiary of the Company, proposed to issue Sukuk based on the shariah principle of Wakalah Bi Al-Istihmar ('Sukuk Wakalah') of up to RM4.0 billion in nominal value. The Sukuk Wakalah will be issued in one lump sum and will have a tenure of up to 20 years from the date of issuance. The proceeds of the Sukuk Wakalah shall be utilised to fund up to 80.0% of the total project costs.

The lodgement with the Securities Commission Malaysia in relation to the Sukuk Wakalah has been made on 14 September 2017 and on 24 October 2017, SPG received the official offer confirming that all conditions precedent set out in the Deed of Covenants have been satisfied and that the final close of the Sukuk has occurred on 23 October 2017.

12) CHANGES IN THE COMPOSITION OF THE GROUP

On 4 November 2016, Tenaga Nasional Berhad completed the Proposed Subscription of 1,082,070,808 equity shares representing a 30.0% equity interest in GMR Energy Limited ('GEL') on a fully diluted basis, for a total cash consideration of USD300.0 million through its wholly owned subsidiary, Power and Energy International (Mauritius) Ltd.

As announced in Bursa Malaysia on 12 May 2017, Tenaga Nasional Berhad through its wholly owned subsidiary, TNB International Sdn. Bhd. completed the Proposed Subscription of 500,000 new ordinary shares and 62,336,070 Preferred Equity Certificates ('PEC') representing a 50.0% equity interest in Vortex Solar Investments S.a.r.l. ('Vortex Solar') on a fully diluted basis, for a total cash consideration of GBP86.0 million.

The Group has assessed and recognised GEL and Vortex Solar as associates of the Group.



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

On 30 August 2017, Tenaga Nasional Berhad completed the acquisition of 51.0% equity interest in Southern Power Generation Sdn. Bhd. ('SPG') from SIPP Energy Sdn. Bhd. for a purchase consideration of RM51.00. SPG is the Special Purpose Vehicle ('SPV') for the development of 2x720MW Combined Cycle Gas Turbine Power Plant in Pasir Gudang, Johor.

The Group has assessed and recognised SPG as a subsidiary of the Group.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 31 Aug 2017	As at 31 Aug 2016
Claims by third parties	367.5	414.7
Trade guarantees and performance bonds	33.9	9.0
	<u>401.4</u>	<u>423.7</u>

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 judgment 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') by filing an appeal to the Special Commissioners of Income Tax ('SCIT'). The consent judgment also provides that the IRB will not commence any proceedings against 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 has filed notice of appeal against the Notices to the SCIT according to Section 99(1) of the Income Tax Act 1967. Accordingly, TNB has obtained legal advice from a firm of prominent tax solicitors and on this basis, no provision has been made in the financial statements for the contingent liabilities up to the reporting date.

14) CAPITAL COMMITMENTS

	As at 31 Aug 2017	As at 31 Aug 2016
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	30,059.1	24,352.2
Contracted but not provided for in the financial statements	3,785.1	8,934.0
	<u>33,844.2</u>	<u>33,286.2</u>

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

15) REVIEW OF PERFORMANCE

- (a) Performance of the current year ended 31 August 2017 against the corresponding year ended 31 August 2016:

Revenue increased by 6.5% or RM2,885.4 million from RM44,531.5 million to RM47,416.9 million as compared to the same period last year. This was consistent with the increase in operating expenses by 8.0% or RM2,903.2 million in the current year.

Profit attributable to the Owners of the Company for the year under review was RM6,904.0 million as compared to RM7,367.6 million recorded in the last financial year, a decrease of



15) REVIEW OF PERFORMANCE (CONTINUATION)

RM463.6 million or 6.3%. This was mainly due to the increase in finance cost from the new borrowings acquired during the year and the increase in deferred taxation expense due to higher capitalisation of assets.

The return for regulated business under the Incentive Based Regulation ('IBR') framework that mainly consists of Transmission and Distribution businesses was recorded at RM4,502.5 million for the current period.

- (b) Performance of the current fourth quarter (three months) FY2017 against the corresponding fourth quarter (three months) FY2016:

Profit attributable to the Owners of the Company for the current quarter was RM1,719.2 million as compared to RM1,762.2 million recorded in the last corresponding quarter, a decrease of RM43.0 million or 2.4%.

Revenue for the quarter increased by RM1,227.1 million or 10.9% from RM11,236.7 million to RM12,463.8 million as compared to the same quarter last year. This was consistent with the increase in operating expenses during the current quarter by 13.4% or RM1,253.4 million.

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

Performance of the current quarter (4th Quarter FY2017) against the preceding quarter (3rd Quarter FY2017):

The Group reported a lower operating profit of RM2,332.3 million as compared to RM2,713.0 million in the preceding quarter, a decrease of 14.0%. This was partly due to the higher operating expenses during the current quarter as compared to the preceding quarter, resulting in a lower Profit attributable to the Owners of the Company of RM1,719.2 million as compared to RM1,962.4 million recorded in the preceding quarter.

17) PROSPECTS

The Malaysian Institute of Economic Research ('MIER') projected the growth outlook for 2018 to maintain between 4.7% - 5.3%, with upward revision of its 2017 growth forecast to 5.4%. This is evident by the improved performance of the manufacturing index and major export-oriented subsectors in first half of 2017.

As such, it is expected that the unit electricity demand growth will be stable in line with the above. Continual implementation of Incentive Based Regulation ('IBR') also allows better earnings predictability for TNB as fuel costs risks are mitigated.

Given the aforementioned scenarios, the Board of Directors views the prospects of the Group for the Financial Year 2018 to remain stable.



18) PROFIT FROM OPERATIONS

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

	Individual quarter ended 31 Aug 2017	Cumulative year ended 31 Aug 2017
Property, plant and equipment:		
- Depreciation	1,560.4	6,105.0
Allowance for receivables	161.9	667.2
Allowance for inventories	(12.0)	1.9
Inventories written off	141.8	158.0

Other than the items highlighted above, there were no disposal of quoted investment and impairment of property, plant and equipment during the financial period ended 31 August 2017.

19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

20) TAXATION

Taxation and Zakat for the reporting period comprised the following:-

	Individual quarter		Cumulative year	
	ended 31 Aug 2017	ended 31 Aug 2016	ended 31 Aug 2017	ended 31 Aug 2016
Income Tax:				
Current tax and zakat	(200.7)	(82.9)	(643.7)	(619.2)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(217.2)	(53.0)	(726.0)	(126.8)
Total taxation and zakat	<u>(417.9)</u>	<u>(135.9)</u>	<u>(1,369.7)</u>	<u>(746.0)</u>

For the reporting period ended 31 August 2017, the Group recorded a 16.5% effective tax rate, which is much 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.

21) STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals entered into during the reporting period.



22) GROUP BORROWINGS

- a) The analysis of Group borrowings classified under short term and long term categories are as follows:

	As at 31 Aug 2017	As at 31 Aug 2016
Short term - secured	1,344.0	745.0
- unsecured	464.1	743.8
Sub-total	1,808.1	1,488.8
Long term - secured	19,801.1	20,464.4
- unsecured	17,237.3	12,353.5
Sub-total	37,038.4	32,817.9
Total	38,846.5	34,306.7

- b) Currency denominations:

	As at 31 Aug 2017	As at 31 Aug 2016
Japanese Yen	2,809.1	2,999.3
US Dollar	6,307.3	2,915.7
Others	14.5	54.9
Total Ringgit equivalent of foreign currency borrowings	9,130.9	5,969.9
Ringgit borrowings	29,715.6	28,336.8
Total	38,846.5	34,306.7

- c) Effective average cost of borrowing based on exposure as at 31 August 2017 was 4.90% (2016: 5.06%).
- d) Repayments of long term debts during the reporting period were as follows:
 (i) Foreign currency denominated term loans of RM131.1 million, and
 (ii) Ringgit denominated term loans of RM618.1 million.
- e) Drawdowns of long term debts during the reporting period were as follows:
 (i) Foreign currency denominated term loans of RM3,137.2 million, and
 (ii) Ringgit denominated term loans of RM2,122.8 million.



23) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31 August 2017	
	Notional Amount	Fair Value
Forward Currency Contracts		
- Less than 1 year	367.5	(9.7)
- 1 year to 3 years	-	-
- More than 3 years	-	-
Total	367.5	(9.7)

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.

24) REALISED AND UNREALISED PROFITS

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31 Aug 2017	31 Aug 2016
Total retained profits of the Company and its subsidiaries		
- Realised	54,741.2	49,188.1
- Unrealised	(5,788.4)	(5,067.8)
Total share of retained profits from joint ventures		
- Realised	34.4	30.2
- Unrealised	33.3	24.7
Total share of retained profits from associates		
- Realised	354.8	521.9
- Unrealised	50.2	(55.4)
Consolidation adjustments	2,689.8	2,688.3
Total retained profits of the Group	52,115.3	47,330.0

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive by Bursa Malaysia and should not be applied for any other purposes.

25) MATERIAL LITIGATION

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



26) EARNINGS PER SHARE

	Individual quarter		Cumulative year	
	ended 31.08.17	ended 31.08.16	ended 31.08.17	ended 31.08.16
Profit attributable to owners of the Company (RM 'million)	1,719.2	1,762.2	6,904.0	7,367.6
Weighted average number of ordinary shares in issue ('000)	5,659,015	5,643,611	5,659,015	5,643,611
Basic earnings per share (sen)	30.38	31.22	122.00	130.55
Profit attributable to owners of the Company (RM 'million)	1,719.2	1,762.2	6,904.0	7,367.6
Weighted average number of ordinary shares in issue ('000)	5,659,015	5,643,611	5,659,015	5,643,611
Adjustments for Long Term Incentive Plan ('000)	22,312	16,614	22,312	16,614
Weighted average number of diluted ordinary shares ('000)	5,681,327	5,660,225	5,681,327	5,660,225
Diluted earnings per share (sen)	30.26	31.13	121.52	130.16

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

28) CHANGE OF FINANCIAL YEAR END

On 30 November 2016, the Board approved the change of financial year end of the Group and Company from 31 August to 31 December, which shall be implemented after the close of the financial year ended 31 August 2017. The new financial year will commence from 1 September 2017 to 31 December 2017, covering a period of four (4) months. Thereafter, the financial year of the Group and Company shall revert to twelve (12) months ending 31 December, for each subsequent year.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
26 October 2017