



The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3rd QUARTER ENDED 31 MAY 2016
(Amounts in RM million unless otherwise stated)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|--|--|---|--|--|
| | CURRENT YEAR QUARTER 31.05.16 | PRECEDING YEAR CORRESPONDING QUARTER 31.05.15 | CURRENT YEAR TO DATE 31.05.16 | PRECEDING YEAR CORRESPONDING PERIOD 31.05.15 |
| Revenue | 12,128.7 | 9,905.7 | 33,294.8 | 31,542.8 |
| Operating expenses | (9,569.9) | (9,270.0) | (26,816.4) | (25,727.1) |
| Other operating income | 188.3 | 252.8 | 508.2 | 593.0 |
| Operating profit | 2,747.1 | 888.5 | 6,986.6 | 6,408.7 |
| Foreign exchange | | | | |
| - Translation (loss)/gain | (39.8) | 171.6 | (275.2) | (85.8) |
| - Transaction gain/(loss) | 30.1 | (114.9) | 24.6 | (87.1) |
| Share of results of joint ventures | 6.3 | 7.4 | 19.8 | 19.4 |
| Share of results of associates | 19.1 | 25.0 | 48.9 | 37.2 |
| Profit before finance cost | 2,762.8 | 977.6 | 6,804.7 | 6,292.4 |
| Finance income | 28.7 | 12.4 | 148.7 | 148.1 |
| Finance cost | (259.7) | (255.1) | (758.9) | (719.3) |
| Profit before taxation and zakat | 2,531.8 | 734.9 | 6,194.5 | 5,721.2 |
| Taxation and Zakat | | | | |
| - Company and subsidiaries | (202.5) | (235.0) | (536.3) | (680.3) |
| - Deferred taxation | (22.1) | 266.7 | (73.8) | 210.4 |
| Profit for the period | 2,307.2 | 766.6 | 5,584.4 | 5,251.3 |
| Attributable to: | | | | |
| - Owners of the Company | 2,308.7 | 789.4 | 5,605.4 | 5,297.5 |
| - Non-controlling interests | (1.5) | (22.8) | (21.0) | (46.2) |
| Profit for the period | 2,307.2 | 766.6 | 5,584.4 | 5,251.3 |
| Earnings per share attributable to the owners of the Company | | | | |
| | Sen | Sen | Sen | Sen |
| Basic | 40.91 | 13.99 | 99.32 | 93.87 |
| Diluted | 40.79 | 13.99 | 99.03 | 93.87 |

These unaudited 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 2015.

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3rd QUARTER ENDED 31 MAY 2016 (CONTINUATION)
(Amounts in RM million unless otherwise stated)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|--|---|--|--|
| | CURRENT YEAR QUARTER 31.05.16 | PRECEDING YEAR CORRESPONDING QUARTER 31.05.15 | CURRENT YEAR TO DATE 31.05.16 | PRECEDING YEAR CORRESPONDING PERIOD 31.05.15 |
| Profit for the period | 2,307.2 | 766.6 | 5,584.4 | 5,251.3 |
| Other comprehensive (expense)/income | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Defined benefit plan actuarial loss | (212.9) | (79.7) | (229.0) | - |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences | 119.3 | (9.4) | 42.5 | (38.5) |
| Total other comprehensive expense for the period | (93.6) | (89.1) | (186.5) | (38.5) |
| Total comprehensive income for the period | 2,213.6 | 677.5 | 5,397.9 | 5,212.8 |
| Attributable to: | | | | |
| - Owners of the Company | 2,215.1 | 700.3 | 5,418.9 | 5,259.0 |
| - Non-controlling interests | (1.5) | (22.8) | (21.0) | (46.2) |
| Total comprehensive income for the period | 2,213.6 | 677.5 | 5,397.9 | 5,212.8 |

These unaudited 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 2015.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2016

(Amounts in RM million unless otherwise stated)

| | 31.05.2016 | 31.08.2015 |
|---|-------------------|-------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 94,214.7 | 90,300.3 |
| Joint ventures | 142.7 | 122.9 |
| Associates | 1,658.0 | 634.7 |
| Goodwill on consolidation | 124.7 | 124.7 |
| Investments in unquoted debt security | 19.2 | 24.3 |
| Tax recoverable | 1,693.2 | 1,693.2 |
| Deferred tax assets | 13.6 | 23.1 |
| Long term receivables | 531.3 | 253.5 |
| Finance lease receivable | 13.1 | 13.2 |
| Prepaid operating leases | 5,418.2 | 5,111.6 |
| Available-for-sale financial assets | 38.5 | 38.5 |
| | <u>103,867.2</u> | <u>98,340.0</u> |
| CURRENT ASSETS | | |
| Inventories | 814.8 | 843.8 |
| Receivables, deposits and prepayments | 7,791.5 | 8,639.4 |
| Tax recoverable | 91.8 | 45.5 |
| Finance lease receivable | 0.6 | 0.6 |
| Prepaid operating leases | 152.6 | 152.6 |
| Amounts due from joint ventures | 26.8 | 25.9 |
| Amounts due from associates | 203.4 | 177.7 |
| Derivative financial instruments | 0.6 | - |
| Financial assets at fair value through profit or loss | 13,882.4 | 6,438.2 |
| Deposits, bank and cash balances | 3,206.5 | 2,471.3 |
| | <u>26,171.0</u> | <u>18,795.0</u> |
| CURRENT LIABILITIES | | |
| Payables | (10,245.3) | (10,411.5) |
| Finance lease payables | (685.5) | (678.6) |
| Deferred income | (1,151.5) | (1,200.6) |
| Amounts due to associates | (468.5) | (531.4) |
| Current tax liabilities | (28.3) | (72.5) |
| Employee benefits | (711.9) | (711.8) |
| Short term borrowings | (867.1) | (1,985.8) |
| | <u>(14,158.1)</u> | <u>(15,592.2)</u> |
| NET CURRENT ASSETS | 12,012.9 | 3,202.8 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | (33,152.2) | (22,713.1) |
| Consumer deposits | (4,480.2) | (4,187.3) |
| Finance lease payables | (5,517.8) | (6,028.6) |
| Deferred income | (1,325.2) | (1,425.1) |
| Other liabilities | (1,433.1) | (1,428.0) |
| Deferred tax liabilities | (7,046.8) | (7,054.1) |
| Employee benefits | (10,571.7) | (10,230.0) |
| Government development grants | (1,036.2) | (1,009.7) |
| | <u>(64,563.2)</u> | <u>(54,075.9)</u> |
| TOTAL NET ASSETS | <u>51,316.9</u> | <u>47,466.9</u> |
| EQUITY | | |
| Share capital | 5,643.6 | 5,643.6 |
| Share premium | 5,382.2 | 5,382.2 |
| Other reserves | (5,514.5) | (5,416.9) |
| Retained profits | 45,567.9 | 41,599.1 |
| CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY | <u>51,079.2</u> | <u>47,208.0</u> |
| NON-CONTROLLING INTERESTS | 237.7 | 258.9 |
| TOTAL EQUITY | <u>51,316.9</u> | <u>47,466.9</u> |
| NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | Sen 905.1 | Sen 836.5 |

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2016

(Amounts in RM million unless otherwise stated)

| | Attributable to owners of the Company | | | | | | Total Equity |
|--------------------------------------|---------------------------------------|----------------|--------------------------|----------------|------------------|--------------------------|------------------|
| | Ordinary Shares of RM1.00 each | Share Premium | Employee Benefit Reserve | Other Reserves | Retained Profits | Non Controlling Interest | |
| At 1 September 2015 | 5,643.6 | 5,382.2 | (5,028.4) | (388.5) | 41,599.1 | 258.9 | 47,466.9 |
| Profit for the financial period | - | - | - | - | 5,605.4 | (21.0) | 5,584.4 |
| Foreign currency translation reserve | - | - | - | 42.5 | - | - | 42.5 |
| Employee benefit reserve | - | - | (229.0) | - | - | - | (229.0) |
| Total comprehensive income | - | - | (229.0) | 42.5 | 5,605.4 | (21.0) | 5,397.9 |
| Transaction with owners | | | | | | | |
| Dividend paid to NCI | - | - | - | - | - | (0.2) | (0.2) |
| Dividend paid: | | | | | | | |
| - Final for FY2015 | - | - | - | - | (1,072.3) | - | (1,072.3) |
| - Interim for FY2016 | - | - | - | - | (564.3) | - | (564.3) |
| Gross obligation under put option | - | - | - | (70.8) | - | - | (70.8) |
| Employee Long Term Incentive Plan | - | - | - | 159.7 | - | - | 159.7 |
| | - | - | - | 88.9 | (1,636.6) | (0.2) | (1,547.9) |
| At 31 May 2016 | 5,643.6 | 5,382.2 | (5,257.4) | (257.1) | 45,567.9 | 237.7 | 51,316.9 |

| | Attributable to owners of the Company | | | | | | Total Equity |
|---|---------------------------------------|----------------|--------------------------|----------------|------------------|--------------------------|------------------|
| | Ordinary Shares of RM1.00 each | Share Premium | Employee Benefit Reserve | Other Reserves | Retained Profits | Non Controlling Interest | |
| At 1 September 2014 | 5,643.6 | 5,382.2 | (4,916.3) | (120.0) | 37,232.5 | 237.2 | 43,459.2 |
| Profit for the financial period | - | - | - | - | 5,297.5 | (46.2) | 5,251.3 |
| Foreign currency translation reserve | - | - | - | (38.5) | - | - | (38.5) |
| Total comprehensive income | - | - | - | (38.5) | 5,297.5 | (46.2) | 5,212.8 |
| Transaction with owners | | | | | | | |
| Dividend paid to NCI | - | - | - | - | - | (0.6) | (0.6) |
| Acquisition of new subsidiary | - | - | - | - | - | 437.8 | 437.8 |
| Purchase of shares from NCI | - | - | - | (109.3) | - | (336.8) | (446.1) |
| Acquisition of NCI in connection with Mandatory General Offer | - | - | - | (5.8) | - | (17.8) | (23.6) |
| Dividend paid: | | | | | | | |
| - Final for FY2014 | - | - | - | - | (1,072.3) | - | (1,072.3) |
| - Interim for FY2015 | - | - | - | - | (564.3) | - | (564.3) |
| | - | - | - | (115.1) | (1,636.6) | 82.6 | (1,669.1) |
| At 31 May 2015 | 5,643.6 | 5,382.2 | (4,916.3) | (273.6) | 40,893.4 | 273.6 | 47,002.9 |

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MAY 2016

(Amounts in RM million unless otherwise stated)

| | FY2016 ended 31.05.16 | FY2015 ended 31.05.15 |
|---|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Cash generated from operations | 9,280.5 | 6,588.3 |
| Retirement benefits paid | (389.0) | (613.4) |
| Customer contributions received | 845.8 | 822.6 |
| Consumer deposits received | 292.9 | 282.4 |
| Tax paid | (489.3) | (435.7) |
| Net cash flows generated from operating activities | <u>9,540.9</u> | <u>6,644.2</u> |
| Investing activities | | |
| Investment in associates: | | |
| - addition | (991.3) | - |
| - proceeds from redemption of unsecured loan notes/RULS | - | 4.8 |
| Dividend received | 25.4 | 33.9 |
| Interest received | 61.1 | 78.8 |
| Investment in FVTPL: | | |
| - additions | (55,995.4) | (39,874.1) |
| - disposals | 48,687.4 | 36,616.9 |
| Property, plant and equipment: | | |
| - purchases | (7,751.5) | (5,602.6) |
| - disposals | 7.0 | 14.0 |
| Acquisition of new subsidiary | - | (224.9) |
| Proceeds from disposal of assets held for sale | 2.9 | - |
| Net cash flows used in investing activities | <u>(15,954.4)</u> | <u>(8,953.2)</u> |
| Financing activities | | |
| Bank borrowings: | | |
| - new drawdowns | 11,052.2 | 1,597.9 |
| - repayments | (2,012.5) | (2,366.5) |
| Interest paid | (318.7) | (226.8) |
| Dividends paid to non-controlling interest | (0.2) | (0.6) |
| Dividends paid | (1,636.6) | (1,636.6) |
| Government development grants received | 63.9 | 56.5 |
| Purchase of shares from non-controlling interest | - | (446.1) |
| Net increase in debt reserve account | 0.6 | 0.8 |
| Net cash flows generated from/(used in) financing activities | <u>7,148.7</u> | <u>(3,021.4)</u> |
| Net increase/(decrease) in cash and cash equivalents | 735.2 | (5,330.4) |
| Currency translation differences | 0.6 | 0.3 |
| Cash and cash equivalents at the beginning of the period | <u>2,233.1</u> | <u>7,871.5</u> |
| Cash and cash equivalents at the end of the period | <u>2,968.9</u> | <u>2,541.4</u> |
| Deposit, bank and cash balances at end of the period | 3,206.5 | 2,781.6 |
| Debt reserve account ¹ | (237.6) | (240.2) |
| Cash and cash equivalents at the end of the period | <u>2,968.9</u> | <u>2,541.4</u> |

1. Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These unaudited 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 2015.

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 2015. 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 2015.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2015 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 2015. There were no new standards, amendments to standards and IC interpretations applicable to the Group for financial year beginning 1 September 2015.

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 not recommended any dividend for the quarter ended 31 May 2016.

A final dividend for Financial Year 2015 was paid on 31 December 2015 totalling RM1,072.3 million.

An interim dividend for Financial Year 2016 was paid on 31 May 2016 totalling RM564.3 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

- (a) As announced at Bursa Malaysia on 23 March 2016, Tenaga Nasional Berhad ('TNB') entered into an Amendment Agreement to the Share Sale Agreement with Gama Holding A.S. ('GAMA'), International Finance Corporation ('IFC') and IFC Global Infrastructure Fund Holding I Cooperatief UA ('GIF') (known as 'the parties') in relation to the Proposed Acquisition. This resulted in an increase of the Purchase Consideration of USD243.0 million to USD255.0 million which was due to the parties agreeing to retain additional assets as a project of GAMA Enerji A.S. ('GAMA Enerji'). On 13 April 2016, TNB announced that the Proposed Acquisition has become unconditional and completed.
- (b) On 1 April 2016, TNB announced in Bursa Malaysia that it has made a 2nd Grant Offer of ordinary shares of RM1.00 each in TNB ('TNB Shares') comprising of Restricted Share ('RS') Grant (19,221,600 shares) and Performance Share ('PS') Grant (Up to 3,857,800 shares) to eligible employees of TNB and its subsidiaries and executive directors of TNB.
- (c) On 9 May 2016, TNB announced in Bursa Malaysia that it has entered into a conditional Subscription Agreement to subscribe for new equity shares in GMR Energy Limited ('GEL' or the 'Issuer') through its wholly owned subsidiary, Power and Energy International (Mauritius) Ltd ('PEIML' or the 'Subscriber'), representing a 30.0% equity interest in GEL on a fully diluted basis, for a total cash consideration of USD300.0 million ('Subscription Price'). A Shareholder's Agreement has been signed by the Subscriber with the GMR parties on the same date.

12) CHANGES IN THE COMPOSITION OF THE GROUP

On 23 December 2015, TNB acquired 100% issued and paid-up capital in Aruna Servicios Integrales, S.L. ('ASI') with a total consideration of EUR4,000. In addition, as announced in Bursa Malaysia on 15 January 2016, TNB has incorporated a private limited company named Global Power Enerji Sanayi Ve Ticaret Anonim Sirketi ('GPES') in Turkey. The entire issued share capital of TRY60,000 comprising 60,000 ordinary shares of TRY1.00 each of GPES is held by ASI.

The Group has assessed and recognised both the companies as subsidiaries of the Group. The subscription of shares has no material effect on the Group.

In addition, as per Note 11(a) above, GPES has acquired a 30.0% equity interest in GAMA Enerji and the Group has assessed and recognised GAMA Enerji as an associate of the Group.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

| | As at 31 May 2016 | As at 31 Aug 2015 |
|--|----------------------------------|----------------------------------|
| Claims by third parties | 426.9 | 413.8 |
| Trade guarantees and performance bonds | 15.2 | 29.0 |
| Other contingent liabilities | 8.0 | 8.5 |
| | <u>450.1</u> | <u>451.3</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 23 November 2015, TNB received notices of additional assessment for the years of assessment ('YA') 2013 and 2014 respectively for RM985.6 million and RM1,082.6 million. On 27 November 2015, TNB applied for judicial review and on 14 December 2015, the Kuala Lumpur High Court granted TNB leave to commence judicial review proceedings. The High Court also granted an interim stay of proceedings. 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 May 2016 | As at 31 Aug 2015 |
|---|----------------------------------|----------------------------------|
| Property, plant and equipment committed over a 5-year period | | |
| Authorised but not contracted for | 21,285.0 | 27,533.7 |
| Contracted but not provided for in the financial statements | 9,080.8 | 7,147.9 |
| | <u>30,365.8</u> | <u>34,681.6</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 period ended 31 May 2016 against the corresponding period ended 31 May 2015:

Revenue increased by 5.6% or RM1,752.0 million from RM31,542.8 million to RM33,294.8 million compared to the same period last year. This was mainly due to the increase in Group's sales of electricity of 5.3% or RM1,699.3 million from RM32,151.7 million to RM33,851.0 million. The improvement was mainly from sales of electricity in Peninsular Malaysia, which recorded an increase of RM1,622.2 million or 5.3%, with a growth in units sold of 4.5%, as compared to the last corresponding period.

Profit attributable to the Owners of the Company for the period under review was RM5,605.4 million as compared to RM5,297.5 million recorded in the corresponding period last financial year, an increase of RM307.9 million or 5.8% mainly due to the increase in revenue.



15) REVIEW OF PERFORMANCE (continued)

- (b) Performance of the current third quarter (three months) FY2016 against the corresponding third quarter (three months) FY2015:

Revenue for the quarter increased by RM2,223.0 million or 22.4% from RM9,905.7 million to RM12,128.7 million compared to the same quarter last year. This was mainly due to the recognition of the over recoverability of ICPT during the corresponding quarter amounting to RM1,820.5 million as compared to RM537.6 million recognised in the current quarter. Another main factor was the increase in Group's sales of electricity by RM798.4 million or 7.4%. The increase in Group's sales of electricity was mainly from sales of electricity in the Peninsular Malaysia which recorded an increase of 7.6%, with a corresponding growth of 6.2%.

The impact of the recognition of ICPT and higher sales of electricity during the current quarter had resulted in a higher Profit attributable to the Owners of the Company by RM1,519.3 million.

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

Performance of the current quarter (3rd Quarter FY2016) against the preceding quarter (2nd Quarter FY2016):

The Group reported a higher revenue of RM12,128.7 million as compared to RM10,489.3 million, an increase of 15.6%. This was partly due to the higher Group's sales of electricity of RM11,621.3 million recorded during the current quarter as compared to the preceding quarter of RM11,050.4 million, an increase of RM570.9 million or 5.2%. This is reflected in the increase in the demand growth of 3.4% in Peninsular Malaysia.

The quarter experienced a higher Profit attributable to the Owners of the Company of RM2,308.7 million as compared to RM1,320.7 million recorded in the preceding quarter due to the higher revenue as mentioned above.

17) PROSPECTS

The Board of Directors took note of Bank Negara Malaysia's Monetary Policy Statement dated 13 July 2016 which recognises that while the domestic economy remains on track to expand in 2016 and 2017, the uncertainties in the global environment could weigh on Malaysia's growth prospects. Given the said prevailing challenging global economic environment, the Board of Directors remains cautious on the Group's prospect for the Financial Year 2016.



18) PROFIT FROM OPERATIONS

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

| | Quarter ended 31 May 2016 | Period ended 31 May 2016 |
|--------------------------------|--|---|
| Property, plant and equipment: | | |
| - Depreciation | 1,468.0 | 4,205.9 |
| - Profit on sale of properties | 0 | (2.5) |
| Allowance for receivables | 526.8 | 591.5 |
| Allowance for inventories | (0.3) | 0.1 |
| Inventories written off | 6.5 | 23.9 |

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 May 2016.

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 quarter | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | ended 31 May 2016 | ended 31 May 2015 | ended 31 May 2016 | ended 31 May 2015 |
| Income Tax: | | | | |
| Current tax and zakat | (202.5) | (235.0) | (536.3) | (680.3) |
| Deferred tax (net): | | | | |
| Relating to origination and reversal of temporary differences | (22.1) | 266.7 | (73.8) | 210.4 |
| Total taxation and zakat | (224.6) | 31.7 | (610.1) | (469.9) |

For the reporting period ended 31 May 2016, the Group recorded a 9.8% 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 May 2016 | As at 31 Aug 2015 |
|----------------------|----------------------------------|----------------------------------|
| Short term - secured | 479.1 | 514.5 |
| - unsecured | 388.0 | 1,471.3 |
| Sub-total | 867.1 | 1,985.8 |
| Long term - secured | 21,057.9 | 11,897.1 |
| - unsecured | 12,094.3 | 10,816.0 |
| Sub-total | 33,152.2 | 22,713.1 |
| Total | 34,019.3 | 24,698.9 |

- b) Currency denominations:

| | As at 31 May 2016 | As at 31 Aug 2015 |
|--|----------------------------------|----------------------------------|
| Japanese Yen | 2,813.5 | 3,589.9 |
| US Dollar | 2,802.4 | 1,761.5 |
| Others | 8.9 | 17.0 |
| Total Ringgit equivalent of foreign currency borrowings | 5,624.8 | 5,368.4 |
| Ringgit borrowings | 28,394.5 | 19,330.5 |
| Total | 34,019.3 | 24,698.9 |

- c) Effective average cost of borrowing based on exposure as at 31 May 2016 was 5.09% (2015: 4.93%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM986.6 million, and
 - (ii) Ringgit denominated term loans of RM264.3 million.



23) DERIVATIVE FINANCIAL INSTRUMENTS

| Type of Derivatives | As at 31 May 2016 | |
|-----------------------------------|-------------------|------------|
| | Notional Amount | Fair Value |
| Forward Currency Contracts | | |
| - Less than 1 year | 411.0 | 0.6 |
| - 1 year to 3 years | - | - |
| - More than 3 years | - | - |
| Total | 411.0 | 0.6 |

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 May 2016 | 31 Aug 2015 |
|--|-----------------|-----------------|
| Total retained profits of the Company and its subsidiaries | | |
| -Realised | 47,895.5 | 43,482.0 |
| -Unrealised | (5,170.3) | (5,168.1) |
| Total share of retained profits from joint ventures | | |
| -Realised | 34.6 | 26.2 |
| -Unrealised | 21.6 | 12.6 |
| Total share of retained profits from associates | | |
| -Realised | 370.1 | 361.7 |
| -Unrealised | (61.6) | (61.7) |
| Consolidation adjustments | 2,478.0 | 2,946.4 |
| Total retained profits of the Group | 45,567.9 | 41,599.1 |

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 quarter | |
|--|--------------------|-------------------|--------------------|-------------------|
| | ended 31.05.16 | ended 31.05.15 | ended 31.05.16 | ended 31.05.15 |
| Profit attributable to owners of the Company (RM 'million) | 2,308.7 | 789.4 | 5,605.4 | 5,297.5 |
| Weighted average number of ordinary shares in issue ('000) | <u>5,643,611</u> | <u>5,643,611</u> | <u>5,643,611</u> | <u>5,643,611</u> |
| Basic earnings per share (sen) | 40.91 | 13.99 | 99.32 | 93.87 |
| Profit attributable to owners of the Company (RM 'million) | 2,308.7 | 789.4 | 5,605.4 | 5,297.5 |
| Weighted average number of ordinary shares in issue ('000) | 5,643,611 | 5,643,611 | 5,643,611 | 5,643,611 |
| Adjustments for Employee Long Term Incentive Plan ('000) | <u>16,809</u> | <u>-</u> | <u>16,809</u> | <u>-</u> |
| Weighted average number of diluted ordinary shares ('000) | <u>5,660,420</u> | <u>5,643,611</u> | <u>5,660,420</u> | <u>5,643,611</u> |
| Diluted earnings per share (sen) | 40.79 | 13.99 | 99.03 | 93.87 |

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
28 July 2016