

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 3<sup>rd</sup> QUARTER ENDED 31 MAY 2015**  
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.05.15	PRECEDING YEAR CORRESPONDING QUARTER 31.05.14 Restated	CURRENT YEAR TO DATE 31.05.15	PRECEDING YEAR CORRESPONDING PERIOD 31.05.14 Restated
Revenue	9,905.7	11,499.9	31,542.8	31,069.0
Operating expenses	(9,270.0)	(9,781.6)	(25,727.1)	(26,515.5)
Other operating income	252.8	164.9	593.0	349.5
Operating profit	888.5	1,883.2	6,408.7	4,903.0
Foreign exchange				
- Translation gain/(loss)	171.6	158.5	(85.8)	292.2
- Transaction (loss)/gain	(114.9)	(9.9)	(87.1)	2.3
Share of results of joint ventures	7.4	6.7	19.4	19.7
Share of results of associates	25.0	14.1	37.2	52.4
Profit before finance cost	977.6	2,052.6	6,292.4	5,269.6
Finance income	12.4	68.1	148.1	174.3
Finance cost	(255.1)	(250.6)	(719.3)	(639.0)
Profit from ordinary activities before taxation	734.9	1,870.1	5,721.2	4,804.9
Taxation and Zakat				
- Company and subsidiaries	(235.0)	(164.1)	(680.3)	252.9
- Deferred taxation	266.7	(66.9)	210.4	47.0
<b>Profit for the period</b>	<b>766.6</b>	<b>1,639.1</b>	<b>5,251.3</b>	<b>5,104.8</b>
Attributable to:				
- Owners of the Company	789.4	1,626.9	5,297.5	5,111.1
- Non-controlling interests	(22.8)	12.2	(46.2)	(6.3)
<b>Profit for the period</b>	<b>766.6</b>	<b>1,639.1</b>	<b>5,251.3</b>	<b>5,104.8</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic/Diluted earnings per share attributable to the owners of the Company	13.99	28.83	93.87	90.56

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 2014.

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3<sup>rd</sup> QUARTER ENDED 31 MAY 2015 (CONTINUATION)**  
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.05.15	PRECEDING YEAR CORRESPONDING QUARTER 31.05.14 Restated	CURRENT YEAR TO DATE 31.05.15	PRECEDING YEAR CORRESPONDING PERIOD 31.05.14 Restated
Profit for the period	766.6	1,639.1	5,251.3	5,104.8
Other comprehensive (expense)/income				
Items that will not be reclassified subsequently to profit or loss				
Defined benefit plan actuarial (loss)/gains	(79.7)	216.4	-	310.9
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	(9.4)	(41.2)	(38.5)	(11.1)
<b>Total other comprehensive (expense)/income for the period</b>	<b>(89.1)</b>	<b>175.2</b>	<b>(38.5)</b>	<b>299.8</b>
<b>Total comprehensive income for the period</b>	<b>677.5</b>	<b>1,814.3</b>	<b>5,212.8</b>	<b>5,404.6</b>
Attributable to:				
- Owners of the Company	700.3	1,802.1	5,259.0	5,410.9
- Non-controlling interests	(22.8)	12.2	(46.2)	(6.3)
<b>Total comprehensive income for the period</b>	<b>677.5</b>	<b>1,814.3</b>	<b>5,212.8</b>	<b>5,404.6</b>

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 2014.

**B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MAY 2015**

(Amounts in RM million unless otherwise stated)

	31.05.2015	31.08.2014
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	87,732.3	83,045.1
Joint ventures	123.7	103.3
Associates	612.4	508.8
Investments in unquoted debt security	88.2	163.1
Tax recoverable	1,693.2	1,693.2
Deferred tax assets	62.7	15.2
Long term receivables	312.2	270.6
Finance lease receivable	12.9	13.4
Prepaid operating leases	5,198.2	4,763.8
Derivative financial instruments	4.4	42.7
Goodwill on consolidation	123.4	-
Available-for-sale financial assets	38.4	38.3
	<u>96,002.0</u>	<u>90,657.5</u>
<b>CURRENT ASSETS</b>		
Inventories	1,159.7	887.3
Receivables, deposits and prepayments	7,512.5	7,132.3
Tax recoverable	26.0	35.5
Finance lease receivable	0.7	0.7
Prepaid operating leases	92.2	92.2
Amounts due from associates	93.3	79.2
Amounts due from joint ventures	23.9	22.1
Financial assets at fair value through profit or loss	7,014.2	3,646.1
Deposits, bank and cash balances	2,781.6	8,112.5
	<u>18,704.1</u>	<u>20,007.9</u>
<b>CURRENT LIABILITIES</b>		
Payables	(9,633.1)	(7,973.5)
Finance lease payables	(661.3)	(651.6)
Deferred income	(1,125.9)	(1,158.5)
Amounts due to associates	(464.2)	(575.5)
Current tax liabilities	(248.9)	(56.1)
Employee benefits	(568.4)	(568.3)
Short term borrowings	(1,140.3)	(2,480.4)
	<u>(13,842.1)</u>	<u>(13,463.9)</u>
<b>NET CURRENT ASSETS</b>	4,862.0	6,544.0
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	(22,933.4)	(22,975.6)
Consumer deposits	(4,106.7)	(3,824.3)
Finance lease payables	(6,210.0)	(6,137.4)
Deferred income	(1,564.5)	(1,642.5)
Derivative financial instruments	-	(4.9)
Other liabilities	(1,216.2)	(1,156.7)
Deferred tax liabilities	(6,592.8)	(6,716.1)
Employee benefits	(10,210.0)	(10,263.2)
Government development grants	(1,027.5)	(1,021.6)
	<u>(53,861.1)</u>	<u>(53,742.3)</u>
<b>TOTAL NET ASSETS</b>	<u>47,002.9</u>	<u>43,459.2</u>
<b>EQUITY</b>		
Share capital	5,643.6	5,643.6
Share premium	5,382.2	5,382.2
Other reserves	(5,189.9)	(5,036.3)
Retained profits	40,893.4	37,232.5
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	46,729.3	43,222.0
<b>NON-CONTROLLING INTERESTS</b>	273.6	237.2
<b>TOTAL EQUITY</b>	<u>47,002.9</u>	<u>43,459.2</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
	Sen 828.0	Sen 765.9

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 2014.

### C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2015

(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	
<b>At 1 September 2014</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(4,916.3)</b>	<b>(120.0)</b>	<b>37,232.5</b>	<b>237.2</b>	<b>43,459.2</b>
Profit for the financial period	-	-	-	-	5,297.5	(46.2)	5,251.3
Foreign currency translation reserve	-	-	-	(38.5)	-	-	(38.5)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38.5)</b>	<b>5,297.5</b>	<b>(46.2)</b>	<b>5,212.8</b>
<b>Transaction with owners</b>							
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)
<b>At 31 May 2015</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(4,916.3)</b>	<b>(273.6)</b>	<b>40,893.4</b>	<b>273.6</b>	<b>47,002.9</b>

	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	
<b>At 1 September 2013</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(5,358.0)</b>	<b>(151.1)</b>	<b>32,176.4</b>	<b>277.6</b>	<b>37,970.7</b>
Profit for the financial period	-	-	-	-	5,111.1	(6.3)	5,104.8
Foreign currency translation reserve	-	-	-	(11.1)	-	-	(11.1)
Employee benefit reserve	-	-	310.9	-	-	-	310.9
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>310.9</b>	<b>(11.1)</b>	<b>5,111.1</b>	<b>(6.3)</b>	<b>5,404.6</b>
<b>Transaction with owners</b>							
Dividend paid to NCI	-	-	-	-	-	(0.6)	(0.6)
Dividend paid:							
- Final for FY2013	-	-	-	-	(846.5)	-	(846.5)
- Interim for FY2014	-	-	-	-	(564.4)	-	(564.4)
Purchase of shares from NCI	-	-	-	-	-	0.4	0.4
	-	-	-	-	(1,410.9)	(0.2)	(1,411.1)
<b>At 31 May 2014 (restated)</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(5,047.1)</b>	<b>(162.2)</b>	<b>35,876.6</b>	<b>271.1</b>	<b>41,964.2</b>

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 2014.

**D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MAY 2015**

(Amounts in RM million unless otherwise stated)

	<b>FY2015 ended 31.05.15</b>	<b>FY2014 ended 31.05.14 Restated</b>
<b>Operating activities</b>		
Cash generated from operations	6,588.3	6,838.4
Retirement benefits paid	(613.4)	(544.0)
Customer contributions received	822.6	720.1
Consumer deposits received	282.4	262.6
Tax paid	(435.7)	(387.6)
Net cash flows generated from operating activities	<u>6,644.2</u>	<u>6,889.5</u>
<b>Investing activities</b>		
Investment in associates:		
- proceeds from redemption of unsecured loan notes/RULS	4.8	3.5
Dividend received	33.9	19.4
Interest received	78.8	181.7
Additional investments in FVTPL	(3,257.2)	(1,470.0)
Property, plant and equipment:		
- purchases	(5,602.6)	(5,704.1)
- disposals	14.0	3.7
Acquisition of new subsidiary	(224.9)	-
Disposal of assets held for sale	-	13.8
Net cash flows used in investing activities	<u>(8,953.2)</u>	<u>(6,952.0)</u>
<b>Financing activities</b>		
Bank borrowings:		
- new drawdowns	1,597.9	4,134.2
- repayments	(2,366.5)	(896.6)
Interest paid	(226.8)	(400.8)
Issue of shares to non-controlling interest	-	0.4
Dividends paid to non-controlling interest	(0.6)	(0.6)
Dividends paid	(1,636.6)	(1,410.9)
Government development grants received	56.5	66.9
Purchase of shares from non-controlling interest	(446.1)	-
Net increase in debt reserve account	0.8	1.3
Net cash flows (used in)/generated from financing activities	<u>(3,021.4)</u>	<u>1,493.9</u>
Net (decrease)/increase in cash and cash equivalents	(5,330.4)	1,431.4
Currency translation differences	0.3	(1.2)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>7,871.5</u>	<u>9,328.8</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>2,541.4</u>	<u>10,759.0</u>
<b>Deposit, bank and cash balances at end of the period</b>	2,781.6	10,971.5
Debt reserve account <sup>1</sup>	(240.2)	(212.5)
<b>Cash and cash equivalents at the end of the period</b>	<u>2,541.4</u>	<u>10,759.0</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 2014.

## **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 2014.

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 2014. 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 2014.

### **2) AUDIT QUALIFICATION**

The annual audited financial statements for the financial year ended 31 August 2014 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 2014 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for financial year beginning 1 September 2014.

#### **New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2014**

- Amendments to MFRS 2 'Share-based Payment'
- Amendments to MFRS 3 'Business Combinations'
- Amendments to MFRS 8 'Operating Segments'
- Amendments to MFRS 10 'Consolidated Financial Statements', MFRS 12 'Disclosures of Interests in Other Entities' and MFRS 127 'Separate Financial Statements'
- Amendments to MFRS 13 'Fair Value Measurement'
- IC Interpretation 21 'Levies'
- Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets'
- Amendments to MFRS 119 'Employee Benefits'
- Amendments to MFRS 124 'Related Party Disclosures'
- Amendments to MFRS 139 'Financial Instruments: Recognition and Measurement'
- Amendments to MFRS 132 'Financial Instruments: Presentation'

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**

During the quarter under review, the Group recognised the over-recovery of costs under the Imbalance Cost Past Through ('ICPT') mechanism, for the period from January 2014 till May 2015 amounting to RM1,820.5 million.

**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 2015.

A final dividend for Financial Year 2014 was paid on 31 December 2014 totalling RM1,072.3 million.

An interim dividend for Financial Year 2015 was paid on 29 May 2015 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**

As announced to Bursa Malaysia on 29 June 2015, Tenaga Nasional Berhad ('TNB') and Mitsui & Co. Ltd. ('Mitsui') have received an addendum to the Letter of Award dated 3 June 2014 ('the Addendum') for the 2,000MW Project 3B from the Energy Commission ('EC') informing that the Government has approved the transfer by 1Malaysia Development Berhad ('1MDB') of its entire shareholding interest in Jimah East Power Sdn. Bhd. ('JEP') to TNB. JEP was established by the 1MDB-Mitsui Consortium to undertake the development of the project.

TNB and Mitsui will maintain an effective shareholding interest in JEP in the ratio of 70:30 respectively and any variation thereof will be in accordance with the terms of the Power Purchase Agreement and Generating License for the project.

On 9 July 2015, TNB has satisfied and complied to all the conditions precedent of the Share Sale and Purchase Agreement with 1MDB for the acquisition of a 70% shareholding in JEP for a total consideration of circa RM47.0 million and as such the acquisition has been completed. The Group has assessed and will recognise JEP as a subsidiary of the Group.

## 12) CHANGES IN THE COMPOSITION OF THE GROUP

- (a) As announced to Bursa Malaysia on 25 June 2013 on the execution of the Shareholders' Agreement between TNB Energy Services Sdn. Bhd. ('TNBES'), a wholly-owned subsidiary of Tenaga Nasional Berhad ('TNB') and Sime Darby Plantation Sdn. Bhd. ('SDP'), a wholly-owned subsidiary of Sime Darby Berhad ('Sime Darby') in establishing a joint venture to undertake biogas project development from agricultural waste product is hereby referred. As at 30 November 2014, TNBES has subscribed to 49%, comprising 24,499 ordinary shares of RM1.00 each of the issued and paid-up share capital of Sime Darby TNBES Renewable Energy Sdn. Bhd. ('SD TNBES'), the joint venture company set up for the above purpose.

The Group has assessed and recognised the company as an associate of the Group. The subscription of shares has no material effect on the Group.

- (b) On 9 January 2015, TNB announced in Bursa Malaysia a Voluntary General Offer ('VGO') to acquire all the remaining ordinary shares of RM1.00 each in Integrax Berhad ('ITB'), an associate of the Group, for a cash offer price of RM2.75 for each Offer Share. On 25 February 2015, the offer price for the Offer Shares was revised to RM3.25 per Offer Share.

As at the closing date of the VGO on 13 April 2015, TNB acquired an additional 75.41% of shares in ITB. This has resulted in TNB obtaining control in ITB and recognised as a subsidiary of the Group. The recognition of ITB as a subsidiary have resulted in the recognition of goodwill amounting to RM123.4 million at the Group level. TNB intends to invoke Section 222 of the Capital Markets and Services Act, 2007, to exercise its rights to compulsorily acquire the remaining Offer Shares within 2 months from 10 April 2015 as TNB have already acquired more than 90% in nominal value of the Offer Shares ('Mandatory General Offer').

## 13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	<b>As at 31 May 2015</b>	<b>As at 31 Aug 2014</b>
Claims by third parties	438.9	321.7
Trade guarantees and performance bonds	39.7	24.5
Other contingent liabilities	5.0	5.0
	<u><b>483.6</b></u>	<u><b>351.2</b></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.

## 14) CAPITAL COMMITMENTS

	<b>As at 31 May 2015</b>	<b>As at 31 Aug 2014</b>
<b>Property, plant and equipment committed over a 5-year period</b>		
Authorised but not contracted for	12,439.8	17,350.5
Contracted but not provided for in the financial statements	6,160.2	7,789.1
	<u><b>18,600.0</b></u>	<u><b>25,139.6</b></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 2015 against the corresponding period ended 31 May 2014:

The Group recorded a 10.8% or RM3,133.4 million improvement in sales of electricity from RM29,018.3 million to RM32,151.7 million. The improvement was mainly from sales of electricity in Peninsular Malaysia and Sabah, which each recorded an increase of 10.9% and 10.8% respectively. This is resulted from the increase in the average electricity tariff in Peninsula of 14.9% and Sabah of 16.9% effective 1 January 2014. Additionally, Peninsular Malaysia and Sabah both registered a growth of 2.5% and 4.0% respectively, as compared to the last corresponding period.

Profit attributable to the Owners of the Company for the period under review was RM5,297.5 million as compared to RM5,111.1 million recorded in the corresponding period last financial year, an increase of RM186.4 million or 3.6%. This was mainly due to the increase in total revenue of 1.5% accompanied with a decrease in operating expenses of 3.0%.

- (b) Performance of the current third quarter (three months) FY2015 against the corresponding third quarter (three months) FY2014:

The quarter recorded sales of electricity of RM10,822.9 million against RM10,611.6 million for the same period last financial year. The increase was mainly from sales of electricity in the Peninsular Malaysia, which recorded an increase of 2.4% or RM241.4 million.

Profit attributable to the Owners of the Company for the quarter was RM789.4 million, a decrease of RM837.5 million from RM1,626.9 million recorded in the corresponding quarter last financial year, mainly due to the recognition of the Imbalance Cost Pass Through ('ICPT') for the period from January 2014 to May 2015 in the current quarter amounting to RM1,820.5 million.

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

Performance of the current quarter (3<sup>rd</sup> Quarter FY2015) against the preceding quarter (2<sup>nd</sup> Quarter FY2015):

The Group reported a higher total sales of electricity of RM10,822.9 million for the current quarter as compared to RM10,567.6 million in the preceding quarter, an increase of RM255.3 million or 2.4%. This is reflective of the increase in the demand growth of 1.3% in the Peninsular Malaysia.

The quarter experienced a lower profit attributable to the Owners of the Company of RM789.4 million as compared to RM2,156.2 million recorded in the preceding quarter mainly due to the recognition of the ICPT as explained above.

**17) PROSPECTS**

The Board of Directors took note of Bank Negara Malaysia's Monetary Policy Statement dated 9th July 2015 which recognises that there are heightened risks to global growth and financial conditions which may have implications on macroeconomic stability and the prospects of the Malaysian economy. Given the said prevailing global economic environment and continuous foreign exchange volatility, the Board remains cautious on the Group's prospect for the Financial Year 2015.

**18) PROFIT FROM OPERATIONS**

The following items have been charged/(credited) in arriving at the profit from operations:

	<b>Quarter ended 31 May 2015</b>	<b>Period ended 31 May 2015</b>
Property, plant and equipment:		
- Depreciation	1,283.8	3,780.9
Allowance/(Write back) for receivables	41.6	(9.2)
Allowance for inventories	10.2	11.6
Inventories written off	26.0	41.9
Gain on disposal of associates	(60.8)	(60.8)

Other than the items highlighted above, there were no profit on sale of properties and impairment of property, plant and equipment during the quarter and financial period ended 31 May 2015.

**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:-

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>ended 31 May 2015</b>	<b>ended 31 May 2014 (Restated)</b>	<b>ended 31 May 2015</b>	<b>ended 31 May 2014 (Restated)</b>
<b>Income Tax:</b>				
Current tax and zakat	(235.0)	(164.1)	(680.3)	252.9
<b>Deferred tax (net):</b>				
Relating to origination and reversal of temporary differences	266.7	(66.9)	210.4	47.0
Total taxation and zakat	<u>31.7</u>	<u>(231.0)</u>	<u>(469.9)</u>	<u>299.9</u>

For the reporting period ended 31 May 2015, the Group recorded an 8.2% effective tax rate, which is lower than the statutory tax rate of 25.0%. The lower effective tax rate is mainly due to the utilisation of reinvestment allowance incentive.

**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 and long term categories are as follows:-

	<b>As at 31 May 2015</b>	<b>As at 31 Aug 2014</b>
Short term - secured	575.1	553.0
- unsecured	565.2	1,927.4
<b>Sub-total</b>	<b>1,140.3</b>	<b>2,480.4</b>
Long term - secured	12,048.6	11,877.0
- unsecured	10,884.8	11,098.6
<b>Sub-total</b>	<b>22,933.4</b>	<b>22,975.6</b>
<b>Total</b>	<b>24,073.7</b>	<b>25,456.0</b>

- b) Currency denominations:-

	<b>As at 31 May 2015</b>	<b>As at 31 Aug 2014</b>
Japanese Yen	3,051.6	3,279.3
US Dollar	1,513.1	2,637.2
Others	31.1	49.4
<b>Total Ringgit equivalent of foreign currency borrowings</b>	<b>4,595.8</b>	<b>5,965.9</b>
Ringgit borrowings	19,477.9	19,490.1
<b>Total</b>	<b>24,073.7</b>	<b>25,456.0</b>

- c) Effective average cost of borrowing based on exposure as at 31 May 2015 was 4.93% (FY2014: 4.91%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM1,409.0 million, and
  - (ii) Ringgit denominated term loans of RM250.6 million.



## 23) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31 May 2015	
	Notional Amount	Fair Value
<b>Currency Options</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	730.8	4.4
<b>Total</b>	<b>730.8</b>	<b>4.4</b>

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.

### Fair value changes of financial assets and liabilities

The Group recognised a total net loss of RM5.4 million during the current quarter and a total net loss of RM35.2 million for the financial period to-date arising from the fair value changes on the derivatives financial instruments which are marked to market as at the date of the statement of financial position.

## 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 2015	31 Aug 2014
Total retained profits of the Company and its subsidiaries		
-Realised	42,628.2	38,861.3
-Unrealised	(4,667.2)	(4,838.0)
Total share of retained profits from joint ventures		
-Realised	23.8	15.0
-Unrealised	12.6	6.1
Total share of retained profits from associates		
-Realised	208.7	202.2
-Unrealised	8.3	(25.3)
Consolidation adjustments	2,679.0	3,011.2
<b>Total retained profits of the Group</b>	<b>40,893.4</b>	<b>37,232.5</b>

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**

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<b>31.05.15</b>	<b>31.05.14</b>	<b>31.05.15</b>	<b>31.05.14</b>
		<b>Restated</b>		<b>Restated</b>
Profit attributable to owners of the Company (RM 'million)	789.4	1,626.9	5,297.5	5,111.1
Weighted average number of ordinary shares in issue ('000)	5,643,611	5,643,611	5,643,611	5,643,611
Basic/Diluted earnings per share (sen)	13.99	28.83	93.87	90.56

**27) EXCEPTIONAL ITEMS**

There were no exceptional items incurred during the quarter other than as disclosed in Note 5.

**28) COMPARATIVE FIGURES**

Comparatives have been restated following the adoption of Amendments to MFRS 10.

By Order of the Board



**NORAZNI BINTI MOHD ISA (LS 0009635)**

**Company Secretary**

Kuala Lumpur  
30 July 2015