

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 2<sup>nd</sup> QUARTER ENDED 28 FEBRUARY 2017**  
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER ENDED 28.02.17	PRECEDING YEAR QUARTER ENDED 29.02.16	CURRENT YEAR ENDED 28.02.17	PRECEDING YEAR ENDED 29.02.16
Revenue	11,162.3	10,489.3	22,403.9	21,166.1
Operating expenses	(9,341.6)	(8,828.1)	(18,427.7)	(17,246.5)
Other operating income	158.4	180.6	342.5	319.9
Operating profit	1,979.1	1,841.8	4,318.7	4,239.5
Foreign exchange				
- Translation gain/(loss)	28.7	(176.9)	(202.5)	(235.4)
- Transaction gain/(loss)	7.2	(11.6)	13.0	(5.5)
Share of results of joint ventures	6.4	7.0	13.1	13.5
Share of results of associates	61.8	19.4	52.1	29.8
Profit before finance cost	2,083.2	1,679.7	4,194.4	4,041.9
Finance income	7.3	59.2	169.6	120.0
Finance cost	(390.9)	(239.5)	(669.2)	(499.2)
Profit before taxation and zakat	1,699.6	1,499.4	3,694.8	3,662.7
Taxation and Zakat				
- Company and subsidiaries	(166.9)	(94.7)	(357.1)	(333.8)
- Deferred taxation	(92.3)	(89.7)	(108.8)	(51.7)
<b>Profit for the period</b>	<b>1,440.4</b>	<b>1,315.0</b>	<b>3,228.9</b>	<b>3,277.2</b>
Attributable to:				
- Owners of the Company	1,481.9	1,320.7	3,222.4	3,296.7
- Non-controlling interests	(41.5)	(5.7)	6.5	(19.5)
<b>Profit for the period</b>	<b>1,440.4</b>	<b>1,315.0</b>	<b>3,228.9</b>	<b>3,277.2</b>
Earnings per share attributable to the owners of the Company				
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic	26.22	23.40	57.01	58.41
Diluted	26.18	23.36	56.93	58.32

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 2016.





**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2<sup>nd</sup> QUARTER ENDED 28 FEBRUARY 2017  
(CONTINUATION)**

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER ENDED 28.02.17	PRECEDING YEAR QUARTER ENDED 29.02.16	CURRENT YEAR ENDED 28.02.17	PRECEDING YEAR ENDED 29.02.16
Profit for the period	1,440.4	1,315.0	3,228.9	3,277.2
Other comprehensive income/(expense)				
Items that will not be reclassified subsequently to profit or loss				
Defined benefit plan actuarial gain/(loss)	0.2	(16.1)	120.3	(16.1)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	(120.3)	(27.2)	(128.7)	(76.8)
Fair value of available-for-sale financial assets	(8.1)	-	33.5	-
<b>Total other comprehensive (expense)/income for the period</b>	<b>(128.2)</b>	<b>(43.3)</b>	<b>25.1</b>	<b>(92.9)</b>
<b>Total comprehensive income for the period</b>	<b>1,312.2</b>	<b>1,271.7</b>	<b>3,254.0</b>	<b>3,184.3</b>
Attributable to:				
- Owners of the Company	1,353.7	1,277.4	3,247.5	3,203.8
- Non-controlling interests	(41.5)	(5.7)	6.5	(19.5)
<b>Total comprehensive income for the period</b>	<b>1,312.2</b>	<b>1,271.7</b>	<b>3,254.0</b>	<b>3,184.3</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 2016.

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## B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

(Amounts in RM million unless otherwise stated)

	28.02.2017	31.08.2016
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	99,004.8	96,512.7
Joint ventures	151.9	138.9
Associates	2,864.5	1,699.3
Goodwill on consolidation	211.0	211.0
Investment in unquoted debt security	11.4	15.4
Tax recoverable	1,693.2	1,693.2
Deferred tax assets	27.8	31.2
Long term receivables	510.2	620.3
Finance lease receivable	13.2	13.6
Prepaid operating leases	5,261.5	5,172.7
Available-for-sale financial assets	72.1	38.6
	<u>109,821.6</u>	<u>106,146.9</u>
<b>CURRENT ASSETS</b>		
Non-current assets held for sale	-	31.6
Inventories	1,197.4	792.3
Receivables, deposits and prepayments	8,987.4	8,276.8
Tax recoverable	156.8	125.0
Finance lease receivable	0.7	0.7
Prepaid operating leases	144.0	150.1
Amounts due from joint ventures	8.2	6.0
Amounts due from associates	284.4	202.4
Financial assets at fair value through profit or loss	11,116.4	13,182.4
Derivative financial instruments	56.7	16.8
Deposits, bank and cash balances	5,790.1	3,971.2
	<u>27,742.1</u>	<u>26,755.3</u>
<b>CURRENT LIABILITIES</b>		
Payables	(10,507.0)	(11,409.1)
Finance lease payables	(666.1)	(661.6)
Derivative financial instruments	(19.7)	(12.9)
Deferred income	(1,140.2)	(1,139.2)
Amounts due to associates	(571.2)	(559.5)
Current tax liabilities	(82.4)	(50.6)
Employee benefits	(762.3)	(762.3)
Short term borrowings	(1,190.9)	(1,488.8)
	<u>(14,939.8)</u>	<u>(16,084.0)</u>
<b>NET CURRENT ASSETS</b>	12,802.3	10,671.3
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	(36,081.7)	(32,817.9)
Consumer deposits	(4,890.5)	(4,551.1)
Finance lease payables	(5,002.5)	(5,287.2)
Deferred income	(1,385.5)	(1,165.6)
Other liabilities	(1,366.5)	(1,366.8)
Deferred tax liabilities	(7,105.0)	(6,961.9)
Employee benefits	(10,843.2)	(11,048.8)
Government development grants	(988.2)	(1,019.2)
	<u>(67,663.1)</u>	<u>(64,218.5)</u>
<b>TOTAL NET ASSETS</b>	<u>54,960.8</u>	<u>52,599.7</u>
<b>EQUITY</b>		
Share capital	11,034.5	5,643.6
Share premium	-	5,382.2
Other reserves	(5,941.2)	(5,967.2)
Retained profits	49,395.7	47,330.0
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	54,489.0	52,388.6
<b>NON-CONTROLLING INTERESTS</b>	471.8	211.1
<b>TOTAL EQUITY</b>	<u>54,960.8</u>	<u>52,599.7</u>

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 2016.

**C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 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			
<b>At 1 September 2016</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(5,967.2)</b>	<b>47,330.0</b>	<b>211.1</b>		<b>52,599.7</b>
Profit for the financial period	-	-	-	3,222.4	6.5		3,228.9
Foreign currency translation reserve	-	-	(128.7)	-	-		(128.7)
Fair value of available-for-sale financial assets	-	-	33.5	-	-		33.5
Employee benefit reserve	-	-	120.3	-	-		120.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>25.1</b>	<b>3,222.4</b>	<b>6.5</b>		<b>3,254.0</b>
<b>Transaction with owners</b>							
Issuance of share capital							
- Vesting of Long Term Incentive Plan	8.7	-	(95.5)	86.8	-		-
Long Term Incentive Plan	-	-	96.4	-	-		96.4
Dividend paid:							
- Final for FY2016	-	-	-	(1,243.5)	-		(1,243.5)
Capitalisation of debt owing to NCI	-	-	-	-	254.6		254.6
Dividend paid to NCI	-	-	-	-	(0.4)		(0.4)
	<b>8.7</b>	<b>-</b>	<b>0.9</b>	<b>(1,156.7)</b>	<b>254.2</b>		<b>(892.9)</b>
<b>Transition to no-par value regime on 31 January 2017<sup>1</sup></b>	<b>5,382.2</b>	<b>(5,382.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>At 28 February 2017</b>	<b>11,034.5</b>	<b>-</b>	<b>(5,941.2)</b>	<b>49,395.7</b>	<b>471.8</b>		<b>54,960.8</b>

1.The new Companies Act 2016 ('Act'), which came into operation 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			
<b>At 1 September 2015</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(5,416.9)</b>	<b>41,599.1</b>	<b>258.9</b>		<b>47,466.9</b>
Profit for the financial period	-	-	-	3,296.7	(19.5)		3,277.2
Foreign currency translation reserve	-	-	(76.8)	-	-		(76.8)
Employee benefit reserve	-	-	(16.1)	-	-		(16.1)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(92.9)</b>	<b>3,296.7</b>	<b>(19.5)</b>		<b>3,184.3</b>
<b>Transaction with owners</b>							
Dividend paid:							
- Final for FY2015	-	-	-	(1,072.3)	-		(1,072.3)
Gross obligation under put option	-	-	(70.8)	-	-		(70.8)
Long Term Incentive Plan	-	-	88.2	-	-		88.2
	<b>-</b>	<b>-</b>	<b>17.4</b>	<b>(1,072.3)</b>	<b>-</b>		<b>(1,054.9)</b>
<b>At 29 February 2016</b>	<b>5,643.6</b>	<b>5,382.2</b>	<b>(5,492.4)</b>	<b>43,823.5</b>	<b>239.4</b>		<b>49,596.3</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 2016.



**D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD  
ENDED 28 FEBRUARY 2017**

(Amounts in RM million unless otherwise stated)

	<b>FY2017 ended 28.02.17</b>	<b>FY2016 ended 29.02.16</b>
<b>Operating activities</b>		
Cash generated from operations	4,436.8	5,031.7
Retirement benefits paid	(423.1)	(389.0)
Customer contributions received	556.1	574.8
Consumer deposits received	339.4	182.0
Tax paid	(318.2)	(353.8)
Net cash flows generated from operating activities	<u>4,591.0</u>	<u>5,045.7</u>
<b>Investing activities</b>		
Investment in associates:		
- addition	(1,259.6)	-
Dividend received	21.9	21.4
Interest received	66.3	48.7
Investment in FVTPL:		
- additions	(30,951.6)	(40,841.7)
- disposals	33,193.8	34,543.8
Property, plant and equipment:		
- purchases	(5,155.4)	(4,993.4)
- disposals	8.6	6.1
Disposal of assets held for sale	-	2.9
Net cash flows used in investing activities	<u>(4,076.0)</u>	<u>(11,212.2)</u>
<b>Financing activities</b>		
Bank borrowings:		
- drawdowns	3,447.4	9,609.8
- repayments	(736.4)	(1,665.4)
Interest paid	(238.6)	(254.4)
Dividends paid to non-controlling interest	(0.4)	-
Dividends paid	(1,243.5)	(1,072.3)
Government development grants received	2.9	33.1
Net decrease in debt reserve account	0.8	0.5
Net cash flows generated from financing activities	<u>1,232.2</u>	<u>6,651.3</u>
Net increase in cash and cash equivalents	1,747.2	484.8
Currency translation differences	72.5	0.4
<b>Cash and cash equivalents at the beginning of the period</b>	<u>3,716.9</u>	<u>2,233.1</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>5,536.6</u>	<u>2,718.3</u>
<b>Deposit, bank and cash balances at end of the period</b>	5,790.1	2,956.0
Debt reserve account <sup>1</sup>	(253.5)	(237.7)
<b>Cash and cash equivalents at the end of the period</b>	<u>5,536.6</u>	<u>2,718.3</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 2016.



## **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 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 quarter under review.

## **8) DIVIDENDS**

The Board of Directors has approved an interim single tier dividend of 17.0 sen per ordinary share in respect of the quarter ended 28 February 2017.

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

A final dividend for Financial Year 2016 was paid on 30 December 2016 totalling RM1,243.5 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**

There were no material events subsequent to the end of the reporting period.

## **12) CHANGES IN THE COMPOSITION OF THE GROUP**

There was no material change to the composition of the Group during the quarter under review.

## **13) CONTINGENT LIABILITIES**

Contingent liabilities of the Group include the following:-

	<b>As at 28 Feb 2017</b>	<b>As at 31 Aug 2016</b>
Claims by third parties	359.2	414.7
Trade guarantees and performance bonds	13.9	9.0
	<b><u>373.1</u></b>	<b><u>423.7</u></b>

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.

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#### 14) CAPITAL COMMITMENTS

	As at 28 Feb 2017	As at 31 Aug 2016
<b>Property, plant and equipment committed over a 5-year period</b>		
Authorised but not contracted for	20,635.0	24,352.2
Contracted but not provided for in the financial statements	6,445.6	8,934.0
	<b>27,080.6</b>	<b>33,286.2</b>

#### **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 28 February 2017 against the corresponding period ended 29 February 2016:

Revenue increased by 5.8% or RM1,237.8 million from RM21,166.1 million to RM22,403.9 million as compared to the same period last year. This was mainly due to the lower amount of over-recoverability of Imbalance Cost Pass-Through ('ICPT') recognised during the current period of RM795.9 million as compared to the last corresponding period of RM1,394.9 million.

Profit attributable to the Owners of the Company for the period under review was RM3,222.4 million as compared to RM3,296.7 million recorded in the last corresponding period, a decrease of RM74.3 million or 2.3% mainly due to increase in operating expenses by 6.8% in current period as compared to the last corresponding period.

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

Revenue for the quarter increased by RM673.0 million or 6.4% from RM10,489.3 million to RM11,162.3 million as compared to the same quarter last year. The increase in revenue was mainly due to lower over-recoverability of ICPT recognised during the current quarter amounting to RM191.1 million as compared to RM713.1 million recognised in the corresponding quarter. The lower over-recoverability of ICPT was resulted from higher average coal price recorded during the quarter under review as compared to the corresponding quarter.

As a result, the current quarter recorded higher Profit attributable to the Owners of the Company of RM1,481.9 million as compared to RM1,320.7 million recorded in the corresponding quarter.

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

Performance of the current quarter (2<sup>nd</sup> Quarter FY2017) against the preceding quarter (1<sup>st</sup> Quarter FY2017):

The Group reported a lower operating profit of RM1,979.1 million as compared to RM2,339.6 million in the preceding quarter. This was due to a marginal decrease in revenue of RM79.3 million and higher operating expenses of RM255.5 million.

The Profit attributable to the Owners of the Company also shrunk from RM1,740.5 million recorded in the preceding quarter to RM1,481.9 million, a decrease of RM258.6 million or 14.9%.

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## 17) PROSPECTS

Bank Negara Malaysia ('BNM') in its 2016 Annual Report projected that the Malaysian economy would register a sustained growth of 4.3% - 4.8% in 2017 with the gradual improvement in global growth, recovery in global commodity prices and the continued growth of domestic demand. However, investment growth is projected to remain modest in an environment of cautious business sentiment and continued uncertainties in the economy and in the global business environment.

Given the prospect of higher global commodity and energy prices and the impact of exchange rate volatility, the Board of Directors remains cautious on the Group's prospects for the year ending 31 August 2017.

## 18) PROFIT FROM OPERATIONS

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

	<b>Individual current year quarter ended 28.02.17</b>	<b>Cumulative current year ended 28.02.17</b>
Property, plant and equipment:		
- Depreciation	1,508.3	2,962.2
Allowance for receivables	135.5	446.1
Allowance for inventories	6.9	13.5
Inventories written off	2.4	10.3

Other than the items highlighted above, there were no disposal of quoted investment, profit on sale of properties and impairment of property, plant and equipment during the financial period ended 28 February 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:-

	<b>Individual</b>		<b>Cumulative</b>	
	<b>current year quarter ended 28.02.17</b>	<b>preceding year quarter ended 29.02.16</b>	<b>current year ended 28.02.17</b>	<b>preceding year ended 29.02.16</b>
<b>Income Tax:</b>				
Current tax and zakat	(166.9)	(94.7)	(357.1)	(333.8)
<b>Deferred tax (net):</b>				
Relating to origination and reversal of temporary differences	(92.3)	(89.7)	(108.8)	(51.7)
<b>Total taxation and zakat</b>	<b>(259.2)</b>	<b>(184.4)</b>	<b>(465.9)</b>	<b>(385.5)</b>

For the reporting period ended 28 February 2017, the Group recorded a 12.6% 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 period.

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## 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:

	<b>As at 28 Feb 2017</b>	<b>As at 31 Aug 2016</b>
Short term - secured	794.4	745.0
- unsecured	396.5	743.8
<b>Sub-total</b>	<b>1,190.9</b>	<b>1,488.8</b>
Long term - secured	23,820.1	20,464.4
- unsecured	12,261.6	12,353.5
<b>Sub-total</b>	<b>36,081.7</b>	<b>32,817.9</b>
<b>Total</b>	<b>37,272.6</b>	<b>34,306.7</b>

- b) Currency denominations:

	<b>As at 28 Feb 2017</b>	<b>As at 31 Aug 2016</b>
Japanese Yen	2,924.4	2,999.3
US Dollar	6,560.3	2,915.7
Others	59.9	54.9
<b>Total Ringgit equivalent of foreign currency borrowings</b>	<b>9,544.6</b>	<b>5,969.9</b>
Ringgit borrowings	27,728.0	28,336.8
<b>Total</b>	<b>37,272.6</b>	<b>34,306.7</b>

- c) Effective average cost of borrowing based on exposure as at 28 February 2017 was 4.64% (2016: 5.21%).
- d) Repayments of long term debts during the reporting period were as follows:
- Foreign currency denominated term loans of RM71.7 million, and
  - Ringgit denominated term loans of RM374.9 million.
- e) Drawdowns of long term debts during the reporting period were as follows:
- Foreign currency denominated term loans of RM3,137.3 million, and
  - Ringgit denominated term loans of RM15.5 million.

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## 23) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 28 February 2017	
	Notional Amount	Fair Value
<b>Forward Currency Contracts</b>		
- Less than 1 year	1,689.5	37.0
- 1 year to 3 years	-	-
- More than 3 years	-	-
<b>Total</b>	<b>1,689.5</b>	<b>37.0</b>

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.

## 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:

	28 Feb 2017	31 Aug 2016
Total retained profits of the Company and its subsidiaries:		
-Realised	52,090.5	49,188.1
-Unrealised	(5,791.9)	(5,067.8)
Total share of retained profits from joint ventures:		
-Realised	42.7	30.2
-Unrealised	28.8	24.7
Total share of retained profits from associates:		
-Realised	283.1	521.9
-Unrealised	50.0	(55.4)
Consolidation adjustments	2,692.5	2,688.3
<b>Total retained profits of the Group</b>	<b>49,395.7</b>	<b>47,330.0</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.

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## 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		Cumulative	
	current year quarter ended 28.02.17	preceding year quarter ended 29.02.16	current year ended 28.02.17	preceding year ended 29.02.16
Profit attributable to owners of the Company (RM 'million)	1,481.9	1,320.7	3,222.4	3,296.7
Weighted average number of ordinary shares in issue ('000)	5,652,334	5,643,611	5,652,334	5,643,611
<b>Basic earnings per share (sen)</b>	<b>26.22</b>	<b>23.40</b>	<b>57.01</b>	<b>58.41</b>
Profit attributable to owners of the Company (RM 'million)	1,481.9	1,320.7	3,222.4	3,296.7
Weighted average number of ordinary shares in issue ('000)	5,652,334	5,643,611	5,652,334	5,643,611
Adjustments for Long Term Incentive Plan ('000)	7,501	9,308	7,501	9,308
Weighted average number of diluted ordinary shares ('000)	5,659,835	5,652,919	5,659,835	5,652,919
<b>Diluted earnings per share (sen)</b>	<b>26.18</b>	<b>23.36</b>	<b>56.93</b>	<b>58.32</b>

## 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  
27 April 2017