

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2013
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.13	PRECEDING YEAR CORRESPONDING QUARTER 30.11.12
Revenue	9,585.4	9,130.8
Operating expenses	(8,130.4)	(7,465.9)
Other operating income	67.9	92.9
Operating profit	<u>1,522.9</u>	<u>1,757.8</u>
Foreign exchange		
- Translation gain	252.7	397.4
- Transaction gain	8.1	2.4
Share of results of jointly controlled entities	-	(0.1)
Share of results of associates (net of tax)	<u>21.4</u>	<u>25.7</u>
Profit before finance cost	1,805.1	2,183.2
Finance income	38.0	49.0
Finance cost	<u>(240.5)</u>	<u>(229.6)</u>
Profit from ordinary activities before taxation	1,602.6	2,002.6
Taxation		
- Company and subsidiaries	(118.8)	(551.0)
- Deferred taxation	<u>234.7</u>	<u>(36.2)</u>
Profit for the period	<u><u>1,718.5</u></u>	<u><u>1,415.4</u></u>
Attributable to:		
- Owners of the Company	1,734.9	1,415.5
- Non-controlling interest	<u>(16.4)</u>	<u>(0.1)</u>
Profit for the period	<u><u>1,718.5</u></u>	<u><u>1,415.4</u></u>
Earnings per share attributable to the owners of the Company		
	Sen	Sen
Basic	30.74	25.71
Diluted	30.74	25.63

These unaudited Condensed Consolidated Statements 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 2013.

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2013 (CONTINUATION)

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.13	PRECEDING YEAR CORRESPONDING QUARTER 30.11.12
Profit for the period	1,718.5	1,415.4
Other comprehensive income/(expense)		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property, plant and equipment	0.7	-
Defined benefit plan actuarial losses	(21.3)	(3,223.9)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	15.7	33.6
Total other comprehensive expense for the period	(4.9)	(3,190.3)
Total comprehensive income/(expense) for the period	1,713.6	(1,774.9)
Attributable to: -		
- Owners of the Company	1,730.0	(1,774.8)
- Non-controlling interest	(16.4)	(0.1)
Total comprehensive income/(expense) for the period	1,713.6	(1,774.9)

These unaudited Condensed Consolidated Statements 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 2013.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2013

(Amounts in RM million unless otherwise stated)

	30.11.2013	31.08.2013 (Restated)	01.09.2012 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	76,710.4	76,078.6	66,686.6
Jointly controlled entity	0.3	0.3	0.4
Associates	501.1	483.2	491.2
Investments in unquoted debt securities	163.9	163.9	163.7
Available-for-sale financial assets	38.0	38.0	38.0
Deferred tax assets	10.1	4.9	-
Derivative financial instruments	48.9	61.9	116.3
Long term receivables	302.2	305.1	419.2
Prepaid operating leases	3,691.7	3,525.3	3,164.8
Finance lease receivables	15.2	15.4	-
	<u>81,481.8</u>	<u>80,676.6</u>	<u>71,080.2</u>
CURRENT ASSETS			
Non-current assets held for sale	9.8	9.8	9.8
Inventories	725.4	772.7	925.5
Trade receivables	5,892.1	5,820.1	5,843.9
Other receivables	1,570.2	1,418.9	1,144.8
Tax recoverable	44.6	21.9	142.4
Amount due from associates	94.7	87.5	62.6
Finance lease receivables	1.4	1.4	-
Amount due from jointly controlled entity	17.1	17.1	-
Financial asset at fair value through profit or loss	10.4	9.7	9.1
Prepaid operating leases	663.8	663.8	624.5
Deposits, bank and cash balances	10,395.1	9,531.1	8,626.3
	<u>19,424.6</u>	<u>18,354.0</u>	<u>17,388.9</u>
CURRENT LIABILITIES			
Trade payables	(5,659.1)	(4,981.4)	(4,534.5)
Other payables	(1,622.6)	(1,633.0)	(1,236.8)
Amount due to associates	(427.3)	(615.6)	(697.9)
Current taxation liabilities	(786.6)	(780.6)	(331.0)
Derivative financial instruments	-	(0.3)	-
Deferred income	(997.9)	(1,062.1)	(894.7)
Short term borrowings	(1,335.0)	(1,175.9)	(1,604.2)
Finance lease payables	(633.0)	(630.9)	(55.1)
	<u>(11,461.5)</u>	<u>(10,879.8)</u>	<u>(9,354.2)</u>
NET CURRENT ASSETS	7,963.1	7,474.2	8,034.7
NON-CURRENT LIABILITIES			
Borrowings	(21,667.3)	(22,013.7)	(21,467.6)
Consumer deposits	(3,536.9)	(3,478.5)	(3,284.7)
Derivative financial instruments	(9.8)	(12.8)	(21.5)
Employee benefits	(11,542.8)	(11,444.2)	(6,141.2)
Other liabilities	(1,033.7)	(903.8)	(867.5)
Deferred tax liabilities	(6,177.0)	(6,430.8)	(7,874.1)
Deferred income	(2,090.2)	(2,059.9)	(2,291.2)
Government development grants	(781.9)	(781.7)	(671.0)
Finance lease payables	(5,500.8)	(5,634.5)	(1,338.8)
	<u>(52,340.4)</u>	<u>(52,759.9)</u>	<u>(43,957.6)</u>
TOTAL NET ASSETS	<u>37,104.5</u>	<u>35,390.9</u>	<u>35,157.3</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	5,643.6	5,643.6	5,501.6
Share premium	5,382.2	5,382.2	4,529.1
Other reserves	(5,514.0)	(5,509.1)	(1,468.7)
Retained profits	31,335.5	29,600.6	26,335.7
	<u>36,847.3</u>	<u>35,117.3</u>	<u>34,897.7</u>
NON-CONTROLLING INTEREST	257.2	273.6	259.6
TOTAL EQUITY	<u>37,104.5</u>	<u>35,390.9</u>	<u>35,157.3</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	Sen	Sen	Sen
	652.9	622.2	634.3

These unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2013.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 30 NOVEMBER 2013

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company							Total Equity
	Ordinary Shares of RM1.00 each	Employees' Share Option Scheme Premium Reserve	Employee Benefit Reserve	Revaluation and Other Reserves	Retained Profits	Non Controlling Interest		
At 1 September 2013	5,643.6	5,382.2	-	(5,358.0)	(151.1)	29,600.6	273.6	35,390.9
Profit for the financial period	-	-	-	-	-	1,734.9	(16.4)	1,718.5
Foreign currency translation differences	-	-	-	-	15.7	-	-	15.7
Revaluation of property, plant and equipment	-	-	-	-	0.7	-	-	0.7
Employee benefit reserve	-	-	-	(21.3)	-	-	-	(21.3)
Total comprehensive income	-	-	-	(21.3)	16.4	1,734.9	(16.4)	1,713.6
Transaction with owners								
Issuance of share capital								
- share options	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At 30 November 2013	5,643.6	5,382.2	-	(5,379.3)	(134.7)	31,335.5	257.2	37,104.5

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2013.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 30 NOVEMBER 2013 (CONTINUATION)

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company							Total Equity
	Ordinary Shares of RM1.00 each	Share Premium	Employees' Share Option Scheme Reserve	Employee Benefit Reserve	Revaluation and Other Reserves	Retained Profits	Non Controlling Interest	
At 1 September 2012	5,501.6	4,529.1	181.6	(1,452.5)	(197.8)	26,335.7	259.6	35,157.3
Profit for the financial period	-	-	-	-	-	1,415.5	(0.1)	1,415.4
Foreign currency translation differences	-	-	-	-	33.6	-	-	33.6
Employee benefit reserve	-	-	-	(3,223.9)	-	-	-	(3,223.9)
Total comprehensive income	-	-	-	(3,223.9)	33.6	1,415.5	(0.1)	(1,774.9)
Transaction with owners								
Issuance of share capital								
- share options	33.7	152.1	-	-	-	-	-	185.8
	33.7	152.1	-	-	-	-	-	185.8
At 30 November 2012	5,535.3	4,681.2	181.6	(4,676.4)	(164.2)	27,751.2	259.5	33,568.2

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2013.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 NOVEMBER 2013

(Amounts in RM million unless otherwise stated)

	FY2014 ended 30.11.13	FY2013 ended 30.11.12
Operating activities		
Cash generated from operations	2,301.5	1,594.4
Retirement benefits paid	(160.0)	(145.2)
Consumer contributions received	300.4	272.3
Customer deposits received	58.4	55.5
Tax paid	(95.0)	(412.5)
Net cash generated from operating activities	<u>2,405.3</u>	<u>1,364.5</u>
Investing activities		
Investment in associates:		
- proceeds from redemption of unsecured loan notes/RULS	1.1	0.2
Interest received	97.5	52.1
Property, plant and equipment:		
- purchases	(1,525.9)	(1,460.7)
- disposals	60.7	0.7
Net cash used in investing activities	<u>(1,366.6)</u>	<u>(1,407.7)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	107.0	142.5
- repayments	(177.7)	(361.2)
Interest paid	(106.1)	(118.3)
Proceeds from issuance of shares	-	185.8
Government development grants received	0.2	36.2
Net cash used in financing activities	<u>(176.6)</u>	<u>(115.0)</u>
Changes in deposit, bank and cash balances	862.1	(158.2)
Currency translation differences	1.9	(1.2)
Deposit, bank and cash balances		
- at start of period	<u>9,531.1</u>	<u>8,626.3</u>
- at end of period	<u>10,395.1</u>	<u>8,466.9</u>
Cash at bank, held in trust ¹	(198.7)	(228.9)
Debt reserve account ²	(213.8)	(218.6)
Funds from MoF ³	(0.5)	(2.5)
Cash and cash equivalents	<u>9,982.1</u>	<u>8,016.9</u>

1. Deposits and cash at bank held in trust are in respect of a grant given to a subsidiary by the Malaysian Government for a designated capital project.
2. Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.
3. Ministry of Finance (MoF) fund given to a subsidiary under stimulus package for training programmes.

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2013.

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 2013.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and jointly controlled entities as at 31 August 2013. 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 2013.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2013 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 2013 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 2013.

New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2013

- MFRS 10 "Consolidated Financial Statements"
- MFRS 11 "Joint Arrangements"
- MFRS 12 "Disclosure of Interests in Other Entities"
- Amendments to MFRS 7 "Financial Instruments: Disclosures"
- Amendments to MFRS 116 "Property, Plant and Equipment"
- Amendments to MFRS 10, 11 and 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"

Except for Amendments to MFRS 10 and MFRS 116, the adoption of the revised standards and amendments to standards did not have any significant impact to the unaudited condensed consolidated financial statements upon their initial application.

MFRS 10 "Consolidated Financial Statements"

MFRS 10 changes the definition of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Based on the preliminary assessment performed, the Group assessed that adoption of MFRS 10 did not result in any change in the consolidation status of its subsidiaries as at 30 November 2013.

Amendments to MFRS 116 "Property, Plant and Equipment"

Amendments to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Previously, MFRS 116 states that spare parts, stand-by equipment and servicing equipment are usually carried as inventory and recognised in profit and loss as consumed.

Upon adoption of Amendments to MFRS 116, the Group has performed an assessment on over 99% of its inventory balances. This has resulted in the retrospective reclassification of spare parts, stand-by equipment and servicing equipment previously accounted for under inventories to property, plant and equipment.

The full assessment on the remaining balances will be completed before the financial year end and the Group expects the impact to not be material.

Impact of adoption of new standards

Arising from the adoption of Amendments to MFRS 116, the condensed financial statements for the previous financial periods have been restated as follows:

	As previously reported as at 1 Sep 2012 RM Million	Adjustments	Restated as at 1 Sep 2012 RM Million
		Effect of adoption of Amendments to MFRS 116 RM Million	
Condensed Consolidated Statements Of Financial Position			
Non-Current Assets			
Property, Plant and Equipment	64,769.9	1,916.7	66,686.6
Current Assets			
Inventories	2,842.2	(1,916.7)	925.5

	As previously reported as at 31 Aug 2013 RM Million	Adjustments	Restated as at 31 Aug 2013 RM Million
		Effect of adoption of Amendments to MFRS 116 RM Million	
Condensed Consolidated Statements Of Financial Position			
Non-Current Assets			
Property, Plant and Equipment	73,973.6	2,105.0	76,078.6
Current Assets			
Inventories	2,877.7	(2,105.0)	772.7

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

There were no issuance, cancellation, repurchases, resales and repayments of debt and equity securities during the period under review.

8) DIVIDENDS

There was no dividend paid during the quarter.

The Board of Directors has not recommended any dividend for the quarter ended 30 November 2013.

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 reporting period.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 30 Nov 2013	As at 31 Aug 2013
Claims by third parties	506.2	385.1
Trade guarantees and performance bonds	28.8	12.3
Other contingent liabilities	7.9	140.8
	<u>542.9</u>	<u>538.2</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

	As at 30 Nov 2013	As at 31 Aug 2013
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	18,259.7	18,236.7
Contracted but not provided for in the financial statements	6,089.8	4,171.5
	<u>24,349.5</u>	<u>22,408.2</u>

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

15) REVIEW OF PERFORMANCE

Performance of the current first quarter (three months) FY2014 against the corresponding first quarter (three months) FY2013:

The quarter recorded sales of electricity of RM9,077.5 million against RM8,806.2 million for the same period last financial year. The improvement was mainly from sales of electricity in the Peninsula and Sabah, which recorded an increase of 3.3% and 1.6% respectively. The units sold also registered a growth of 2.6% in the Peninsula and 1.4% in Sabah as compared to the corresponding quarter.

For the quarter under review, the Group reported a 13.4% lower operating profit of RM1,522.9 million as compared to the corresponding quarter of RM1,757.8 million due to higher operating expenses incurred during the quarter.

Profit attributable to the Owners of the Company for the quarter under review was RM1,734.9 million as compared to RM1,415.5 million recorded in the corresponding first quarter last financial year, an increase of RM319.4 million or 22.6%. The higher profit is due to significant movement in taxation, being the result of reinvestment allowance incentive of RM201.7 million and the reversal of deferred taxation of RM188.7 million to reflect the change in the taxation rate from 25% to 24%.

The current quarter recorded a lower translation gain of RM252.7 million as compared to RM397.4 million reported in the first quarter of FY2013 due to the weakening of the Ringgit against the Japanese Yen.

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

Performance of the current quarter (1st Quarter FY2014) against the preceding quarter (4th Quarter FY2013):

The Group reported a lower total sales of electricity of RM9,077.5 million for the current quarter as compared to RM9,430.9 million in the preceding quarter, a decrease of RM353.4 million or 3.7%. The decrease was mainly contributed by the sales of electricity in Peninsular Malaysia and Sabah of 3.7% and 1.7% respectively.

A lower operating expenses of RM8,130.4 million as compared to RM8,855.1 million was recorded during the quarter under review. Additionally, the Group also reported a foreign currency translation gain of RM252.7 million as compared to a loss of RM617.1 million recorded in the last quarter. These had significantly contributed to the higher profit attributable to owners of the Company, from RM219.4 million (in Q4 FY2013) to RM1,734.9 million (in Q1 FY2014).

17) PROSPECTS

The Malaysian Institute of Economic Research (MIER) projected a better growth outlook for 2014 of between 5.0 - 5.5%, whilst maintaining its 2013 growth forecast of 4.8%. With the implementation of the Incentive Based Regulation (IBR), it is anticipated that the fuel cost risks are mitigated, therefore leading to better earnings predictability for TNB.

Based on the above, The Board of Directors continue to view the prospects of the Group for the Financial Year 2014 to remain positive.

18) PROFIT FROM OPERATIONS

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

	Period ended 30 Nov 13
Property, plant and equipment:	
-Depreciation	1,164.3
Provision for receivables	(126.8)
Provision for inventories	8.8
Inventories written off	0.7

Other than the items highlighted above, there were no disposal of quoted investment during the quarter and financial period ended 30 November 2013.

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 for the reporting period comprised the following:-

	Individual quarter	
	ended 30 Nov 13	ended 30 Nov 12
Income Tax:		
Current tax	(118.8)	(551.0)
Deferred tax (net):		
Relating to origination and reversal of temporary differences	46.0	(36.2)
Effect on reduction in income tax rate	188.7	-
Total taxation	<u>115.9</u>	<u>(587.2)</u>

For the reporting period ended 30 November 2013, the Group recorded a negative 7.2% effective tax rate, which is much lower than the statutory tax rate of 25.0%. The lower effective tax rate is mainly due to the utilisation of reinvestment allowance incentive during the current quarter and also due to reversal of deferred tax provision to reflect the reduction of corporate income tax rate from 25% to 24% as announced in the Budget 2014.

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:-

	As at 30 Nov 13	As at 31 Aug 13
Short term - secured	529.7	506.2
- unsecured	805.3	669.7
Sub-total	1,335.0	1,175.9
Long term - secured	8,870.5	8,810.6
- unsecured	12,796.8	13,203.1
Sub-total	21,667.3	22,013.7
Total	23,002.3	23,189.6

- b) Currency denominations:-

	As at 30 Nov 13	As at 31 Aug 13
Japanese Yen	3,450.8	3,742.4
US Dollar	2,742.3	2,825.3
Others	0.5	23.5
Total Ringgit equivalent of foreign currency borrowings	6,193.6	6,591.2
Ringgit borrowings	16,808.7	16,598.4
Total	23,002.3	23,189.6

- c) Effective average cost of borrowing based on exposure as at 30 November 2013 was 4.80% (FY2013: 4.93%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM55.5 million, and
 - (ii) Ringgit denominated term loans of RM0.2 million.

23) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 30 November 2013	
	Notional Amount	Fair Value
	RM Million	RM Million
Interest Rate Swaps		
- More than 1 year	286.1	(9.8)
Currency Options		
- More than 3 years	819.3	48.9
Total	1,105.4	39.1

There is no change to the cash requirements of the derivatives, risk associated with the derivatives and policies to mitigate those risks since the last financial year.

Fair value changes of financial liabilities

The Group recognised a total net loss of RM10.0 million during the current quarter and 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 statements 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:

	30 November 2013	31 August 2013
	RM Million	RM Million
Total retained profits of the Company and its subsidiaries		
-Realised	32,646.1	31,232.9
-Unrealised	(4,304.0)	(4,563.0)
Total share of retained profits from jointly controlled entities		
-Realised	(10.5)	(10.4)
-Unrealised	-	-
Total share of retained profits from associates		
-Realised	119.9	190.6
-Unrealised	(26.6)	(110.6)
Consolidation adjustments	2,910.6	2,861.1
Total retained profits of the Group	31,335.5	29,600.6

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure above includes Integrax Berhad's (ITB), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 30 September 2013 and not 30 November 2013. This is due to unavailability of the information from ITB for reason it did not want to contravene with any Bursa Listing Requirements by releasing its financial information prior to its quarterly announcement.

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	
	ended 30.11.13	ended 30.11.12
(a) Basic earnings per share		
Profit attributable to owners of the Company (RM 'million)	1,734.9	1,415.5
Weighted average number of ordinary shares in issue ('000)	5,643,611	5,505,030
Basic earnings per share (sen)	30.74	25.71
(b) Diluted earnings per share		
Profit attributable to owners of the Company (RM 'million)	1,734.9	1,415.5
Weighted average number of ordinary shares in issue ('000)	5,643,611	5,505,030
Adjustments for share options ('000)	-	16,940
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,643,611	5,521,970
Diluted earnings per share (sen)	30.74	25.63

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

28) COMPARATIVE FIGURES

Comparatives have been restated following the adoption of Amendments to MFRS 116 as shown in Note 3.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
23 January 2014