

The Board of Directors is pleased to announce the following:

A. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 31 AUGUST 2015

(Amounts in RM million unless otherwise stated)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|--|-------------------------------|---|-------------------------------|--|
| | CURRENT YEAR QUARTER 31.08.15 | PRECEDING YEAR CORRESPONDING QUARTER 31.08.14 | CURRENT YEAR TO DATE 31.08.15 | PRECEDING YEAR CORRESPONDING PERIOD 31.08.14 |
| Revenue | 11,744.0 | 11,723.4 | 43,286.8 | 42,792.4 |
| Operating expenses | (9,756.3) | (9,749.6) | (35,483.4) | (36,265.1) |
| Other operating income | 231.2 | 304.2 | 824.2 | 653.7 |
| Operating profit | 2,218.9 | 2,278.0 | 8,627.6 | 7,181.0 |
| Foreign exchange | | | | |
| - Translation (loss)/gain | (733.5) | 153.1 | (819.3) | 445.3 |
| - Transaction (loss)/gain | (25.9) | 1.3 | (113.0) | 3.6 |
| Share of results of joint ventures | 4.7 | (0.1) | 24.1 | 19.6 |
| Share of results of associates | 39.8 | 30.7 | 77.0 | 83.1 |
| Profit before finance cost | 1,504.0 | 2,463.0 | 7,796.4 | 7,732.6 |
| Finance income | 134.1 | 82.4 | 282.2 | 256.7 |
| Finance cost | (225.6) | (235.6) | (944.9) | (874.6) |
| Profit before taxation and zakat | 1,412.5 | 2,309.8 | 7,133.7 | 7,114.7 |
| Taxation and Zakat | | | | |
| - Company and subsidiaries | (136.9) | (884.2) | (817.2) | (631.3) |
| - Deferred taxation | (466.0) | (103.6) | (255.6) | (56.6) |
| Profit for the period | 809.6 | 1,322.0 | 6,060.9 | 6,426.8 |
| Attributable to: | | | | |
| - Owners of the Company | 820.9 | 1,355.9 | 6,118.4 | 6,467.0 |
| - Non-controlling interests | (11.3) | (33.9) | (57.5) | (40.2) |
| Profit for the period | 809.6 | 1,322.0 | 6,060.9 | 6,426.8 |
| | Sen | Sen | Sen | Sen |
| Basic/Diluted earnings per share attributable to the owners of the Company | 14.55 | 24.03 | 108.41 | 114.59 |

These audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.

A. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 31 AUGUST 2015 (CONTINUATION)

(Amounts in RM million unless otherwise stated)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|-------------------------------|---|-------------------------------|--|
| | CURRENT YEAR QUARTER 31.08.15 | PRECEDING YEAR CORRESPONDING QUARTER 31.08.14 | CURRENT YEAR TO DATE 31.08.15 | PRECEDING YEAR CORRESPONDING PERIOD 31.08.14 |
| Profit for the period | 809.6 | 1,322.0 | 6,060.9 | 6,426.8 |
| Other comprehensive (expense)/income | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Defined benefit plan actuarial (loss)/gain | (112.1) | 130.8 | (112.1) | 441.7 |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences | (230.2) | 42.1 | (268.7) | 31.0 |
| Fair value of available-for-sale financial assets | 0.2 | 0.1 | 0.2 | 0.1 |
| Total other comprehensive (expense)/income for the period | (342.1) | 173.0 | (380.6) | 472.8 |
| Total comprehensive income for the period | 467.5 | 1,495.0 | 5,680.3 | 6,899.6 |
| Attributable to: | | | | |
| - Owners of the Company | 478.8 | 1,528.9 | 5,737.8 | 6,939.8 |
| - Non-controlling interests ('NCI') | (11.3) | (33.9) | (57.5) | (40.2) |
| Total comprehensive income for the period | 467.5 | 1,495.0 | 5,680.3 | 6,899.6 |

These audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.

B. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015

(Amounts in RM million unless otherwise stated)

| | 31.08.2015 | 31.08.2014 |
|---|-------------------|-------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 90,300.3 | 83,045.1 |
| Joint ventures | 122.9 | 103.3 |
| Associates | 634.7 | 508.8 |
| Investments in unquoted debt security | 24.3 | 163.1 |
| Tax recoverable | 1,693.2 | 1,693.2 |
| Deferred tax assets | 23.1 | 15.2 |
| Long term receivables | 253.5 | 270.6 |
| Finance lease receivable | 13.2 | 13.4 |
| Prepaid operating leases | 5,111.6 | 4,763.8 |
| Derivative financial instruments | - | 42.7 |
| Goodwill on consolidation | 124.7 | - |
| Available-for-sale financial assets | 38.5 | 38.3 |
| | <u>98,340.0</u> | <u>90,657.5</u> |
| CURRENT ASSETS | | |
| Inventories | 843.8 | 887.3 |
| Receivables, deposits and prepayments | 8,639.4 | 7,132.3 |
| Tax recoverable | 45.5 | 35.5 |
| Finance lease receivable | 0.6 | 0.7 |
| Prepaid operating leases | 152.6 | 92.2 |
| Amounts due from associates | 177.7 | 79.2 |
| Amounts due from joint ventures | 25.9 | 22.1 |
| Financial assets at fair value through profit or loss | 6,438.2 | 3,646.1 |
| Deposits, bank and cash balances | 2,471.3 | 8,112.5 |
| | <u>18,795.0</u> | <u>20,007.9</u> |
| CURRENT LIABILITIES | | |
| Payables | (10,411.5) | (7,973.5) |
| Finance lease payables | (678.6) | (651.6) |
| Deferred income | (1,200.6) | (1,158.5) |
| Amounts due to associates | (531.4) | (575.5) |
| Current tax liabilities | (72.5) | (56.1) |
| Employee benefits | (711.8) | (568.3) |
| Short term borrowings | (1,985.8) | (2,480.4) |
| | <u>(15,592.2)</u> | <u>(13,463.9)</u> |
| NET CURRENT ASSETS | 3,202.8 | 6,544.0 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | (22,713.1) | (22,975.6) |
| Consumer deposits | (4,187.3) | (3,824.3) |
| Finance lease payables | (6,028.6) | (6,137.4) |
| Deferred income | (1,425.1) | (1,642.5) |
| Derivative financial instruments | - | (4.9) |
| Other liabilities | (1,428.0) | (1,156.7) |
| Deferred tax liabilities | (7,054.1) | (6,716.1) |
| Employee benefits | (10,230.0) | (10,263.2) |
| Government development grants | (1,009.7) | (1,021.6) |
| | <u>(54,075.9)</u> | <u>(53,742.3)</u> |
| TOTAL NET ASSETS | <u>47,466.9</u> | <u>43,459.2</u> |
| EQUITY | | |
| Share capital | 5,643.6 | 5,643.6 |
| Share premium | 5,382.2 | 5,382.2 |
| Other reserves | (5,416.9) | (5,036.3) |
| Retained profits | 41,599.1 | 37,232.5 |
| CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY | 47,208.0 | 43,222.0 |
| NON-CONTROLLING INTERESTS | 258.9 | 237.2 |
| TOTAL EQUITY | <u>47,466.9</u> | <u>43,459.2</u> |
| NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | Sen 836.5 | Sen 765.9 |

These audited Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.

C. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2015

(Amounts in RM million unless otherwise stated)

Attributable to owners of the Company

| | Ordinary Shares of RM1.00 each | Share Premium | Employee Benefit Reserve | Other Reserves | Retained Profits | Non Controlling Interest | Total Equity |
|---|--------------------------------------|------------------|--------------------------------|-------------------|---------------------|--------------------------------|------------------|
| 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 year | - | - | - | - | 6,118.4 | (57.5) | 6,060.9 |
| Foreign currency translation reserve | - | - | - | (268.7) | - | - | (268.7) |
| Fair value of available-for-sale financial assets | - | - | - | 0.2 | - | - | 0.2 |
| Employee benefit reserve | - | - | (112.1) | - | - | - | (112.1) |
| Total comprehensive income | - | - | (112.1) | (268.5) | 6,118.4 | (57.5) | 5,680.3 |
| Transaction with owners | | | | | | | |
| Dividend paid to NCI | - | - | - | - | - | (0.6) | (0.6) |
| Dividend paid: | | | | | | | |
| - Final for FY2014 | - | - | - | - | (1,072.3) | - | (1,072.3) |
| - Interim for FY2015 | - | - | - | - | (564.4) | - | (564.4) |
| Acquisition of new subsidiaries | - | - | - | - | - | 434.4 | 434.4 |
| Purchase of shares from NCI | - | - | - | - | (109.3) | (336.8) | (446.1) |
| Compulsory acquisition of NCI | - | - | - | - | (5.8) | (17.8) | (23.6) |
| | - | - | - | - | (1,751.8) | 79.2 | (1,672.6) |
| At 31 August 2015 | 5,643.6 | 5,382.2 | (5,028.4) | (388.5) | 41,599.1 | 258.9 | 47,466.9 |

Attributable to owners of the Company

| | Ordinary Shares of RM1.00 each | Share Premium | Employee Benefit Reserve | Other Reserves | Retained Profits | Non Controlling Interest | Total Equity |
|---|--------------------------------------|------------------|--------------------------------|-------------------|---------------------|--------------------------------|------------------|
| At 1 September 2013 | 5,643.6 | 5,382.2 | (5,358.0) | (151.1) | 32,176.4 | 277.6 | 37,970.7 |
| Profit for the financial year | - | - | - | - | 6,467.0 | (40.2) | 6,426.8 |
| Foreign currency translation reserve | - | - | - | 31.0 | - | - | 31.0 |
| Fair value of available-for-sale financial assets | - | - | - | 0.1 | - | - | 0.1 |
| Employee benefit reserve | - | - | 441.7 | - | - | - | 441.7 |
| Total comprehensive income | - | - | 441.7 | 31.1 | 6,467.0 | (40.2) | 6,899.6 |
| Transaction with owners | | | | | | | |
| 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) |
| At 31 August 2014 | 5,643.6 | 5,382.2 | (4,916.3) | (120.0) | 37,232.5 | 237.2 | 43,459.2 |

These audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.

D. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 AUGUST 2015

(Amounts in RM million unless otherwise stated)

| | FY2015 ended 31.08.15 | FY2014 ended 31.08.14 |
|---|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Cash generated from operations | 11,674.9 | 10,334.6 |
| Retirement benefits paid | (767.2) | (708.9) |
| Customer contributions received | 979.5 | 1,156.4 |
| Consumer deposits received | 363.0 | 345.8 |
| Tax paid | (810.8) | (690.0) |
| Net cash flows generated from operating activities | <u>11,439.4</u> | <u>10,437.9</u> |
| Investing activities | | |
| Investment in associates: | | |
| - proceeds from redemption of unsecured loan notes/RULS | 4.8 | 5.9 |
| Dividend received | 40.8 | 40.4 |
| Interest received | 82.3 | 230.9 |
| Investment in FVTPL: | | |
| - additions | (57,937.6) | (3,614.4) |
| - disposals | 55,477.8 | - |
| Property, plant and equipment: | | |
| - purchases | (10,363.7) | (10,006.5) |
| - disposals | 140.8 | 125.7 |
| Acquisition of new subsidiary | (271.7) | - |
| Disposal of assets held for sale | 0.2 | 13.8 |
| Net cash flows used in investing activities | <u>(12,826.3)</u> | <u>(13,204.2)</u> |
| Financing activities | | |
| Bank borrowings: | | |
| - new drawdowns | 1,187.9 | 4,113.0 |
| - repayments | (2,963.1) | (968.8) |
| Interest paid | (451.1) | (704.8) |
| Issue of shares to non-controlling interest | - | 0.4 |
| Dividends paid to non-controlling interest | (0.6) | (0.6) |
| Dividends paid | (1,636.7) | (1,410.9) |
| Government development grants received | 55.2 | 308.3 |
| Purchase of shares from non-controlling interest | (446.1) | - |
| Net increase in debt reserve account | 2.8 | (27.2) |
| Net cash flows (used in)/generated from financing activities | <u>(4,251.7)</u> | <u>1,309.4</u> |
| Net decrease in cash and cash equivalents | (5,638.6) | (1,456.9) |
| Currency translation differences | 0.2 | (0.4) |
| Cash and cash equivalents at the beginning of the period | <u>7,871.5</u> | <u>9,328.8</u> |
| Cash and cash equivalents at the end of the period | <u>2,233.1</u> | <u>7,871.5</u> |
| Deposit, bank and cash balances at end of the period | 2,471.3 | 8,112.5 |
| Debt reserve account ¹ | (238.2) | (241.0) |
| Cash and cash equivalents at the end of the period | <u>2,233.1</u> | <u>7,871.5</u> |

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

These audited 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 audited condensed interim financial statements of the Group have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') 134 'Interim Financial Reporting', International Financial Reporting Standards ('IFRS') 34 'Interim Financial Reporting' and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 August 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 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 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 financial year under review, the Group recognised the over-recovery of costs under the Imbalance Cost Past Through ('ICPT') mechanism, for the period from January 2014 until August 2015 amounting to RM1,854.5 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

As announced at Bursa Malaysia on 28 August 2015, there was a proposal for the issuance of Sukuk Murabahah by Jimah East Power Sdn. Bhd. ('JEP'), a subsidiary of the Group with a nominal value up to RM10.0 billion. Except for those disclosed in Note 22, there were no other material transactions relating to debts and equity securities during the period under review.

8) DIVIDENDS

The Board of Directors has proposed a final single tier dividend of 19.0 sen per ordinary share in respect of the period ended 31 August 2015 subject to approval at the Annual General Meeting. The Books Closure and payment dates will be announced in due course.

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 RM564.4 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

Pursuant to the announcement made on 3 August 2015 at Bursa Malaysia in relation to the Long Term Incentive Plan ('LTIP'), the Group and Company has made the 1st Grant Offer of ordinary shares of RM1.00 each in the Company, comprises Restricted Shares ('RS') Grant and Performance Shares ('PS') Grant to the eligible employees of the Group and Executive Directors of the Company.

The vesting period for both RS and PS is from the grant date till the fulfilment of certain performance criteria for the Company and individuals.

The Group has established the grant date on 1 September 2015. The total number of RS and PS granted were 23,967,000 and 2,072,300 respectively.

The Group and Company are in the midst of assessing the impact to the financial statements.

12) CHANGES IN THE COMPOSITION OF THE GROUP

- (a) As announced at 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. On 30 November 2014, TNBES has subscribed 49% shareholding 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'), of 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 Share 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 has resulted in the recognition of goodwill amounting to RM123.4 million at the Group level.

Upon obtaining valid acceptance of not less than nine-tenths (9/10) of nominal value of the Offer Shares, TNB had acted in accordance with the provision of Section 222 of the Capital Markets and Services Act 2007 (CMSA) to issue a notice for compulsory acquisition of all ordinary shares not already held by TNB on 22 May 2015. Taking into account the compulsory acquisition, the equity interest in ITB would be effectively 100%.

- (c) As announced at Bursa Malaysia on 29 June 2015, 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 Licence 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 RM47.0 million and as such the acquisition has been completed. The Group has assessed and recognised JEP as a subsidiary of the Group.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

| | As at 31 Aug 2015 | As at 31 Aug 2014 |
|--|----------------------------------|----------------------------------|
| Claims by third parties | 413.8 | 321.7 |
| Trade guarantees and performance bonds | 29.0 | 24.5 |
| Other contingent liabilities | 8.5 | 5.0 |
| | <u>451.3</u> | <u>351.2</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 31 Aug 2015 | As at 31 Aug 2014 |
|---|----------------------------------|----------------------------------|
| Property, plant and equipment committed over a 5-year period | | |
| Authorised but not contracted for | 27,533.7 | 17,350.5 |
| Contracted but not provided for in the financial statements | 7,147.9 | 7,789.1 |
| | <u>34,681.6</u> | <u>25,139.6</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 August 2015 against the corresponding period ended 31 August 2014:

The Group recorded 8.1% or RM3,237.8 million increase in sales of electricity from RM40,219.8 million to RM43,457.6 million. The improvement was mainly from sales of electricity in Peninsular Malaysia and Sabah, which recorded an increase of 8.4% and 9.0% respectively. This is resulted from higher 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 2.2% and 5.9% respectively, as compared to the last corresponding period.

Profit attributable to the Owners of the Company for the period under review was RM6,118.4 million as compared to RM6,467.0 million recorded in the corresponding period last financial year, a decrease of RM348.6 million or 5.4%. The current reporting period recorded a translation loss of RM819.3 million as compared to a gain of RM445.3 million reported in the previous year due to the strengthening of the US Dollar and Japanese Yen against the Ringgit.

15) REVIEW OF PERFORMANCE (CONTINUATION)

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

The quarter recorded sales of electricity of RM11,305.9 million against RM11,201.5 million for the same period last financial year. The increase was mainly from sales of electricity in the Peninsular Malaysia and Sabah, which recorded an increase of 1.9% and 4.3% respectively.

Profit attributable to the Owners of the Company for the quarter was RM820.9 million, a decrease of RM535.0 million from RM1,355.9 million recorded in the corresponding quarter last financial year, mainly due to the translation loss of RM733.5 million reported during the current quarter as compared to a gain of RM153.1 million reported in the corresponding quarter due to the weakening of Ringgit against the US Dollar and Japanese Yen.

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

Performance of the current quarter (4th Quarter FY2015) against the preceding quarter (3rd Quarter FY2015):

The Group reported a higher sales of electricity of RM11,305.9 million for the current quarter as compared to RM10,822.9 million in the preceding quarter, an increase of RM483.0 million or 4.5%. This is reflective of the increase in the demand growth of 3.8% and 5.0% in Peninsular Malaysia and Sabah.

The quarter experienced a higher profit attributable to the Owners of the Company of RM820.9 million as compared to RM789.4 million recorded in the preceding quarter amidst translation losses, which was cushioned by the increase in revenue by 18.6% as compared to the preceding quarter.

17) PROSPECTS

For the Financial Year 2016, the electricity demand growth is expected to increase in tandem with the projected economic growth of between 4.0% and 5.0%, mainly from expansion in the construction, services and manufacturing sectors as mentioned in the Malaysian 2016 Budget.

Given the impact of the slowdown in the global economy, including declining commodity prices, depreciation of the Ringgit and expected slower growth in major advanced economies, the Board continues to remain cautious on the Group's prospect for Financial Year 2016.

18) PROFIT FROM OPERATIONS

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

| | Quarter ended 31 Aug 2015 | Period ended 31 Aug 2015 |
|---|--|---|
| Property, plant and equipment: | | |
| - Depreciation | 1,513.3 | 5,294.2 |
| - Profit on sale of properties | (0.2) | (0.2) |
| Allowance for receivables | 51.1 | 41.9 |
| Allowance for inventories | 2.1 | 13.7 |
| Inventories written off | 4.8 | 46.7 |
| Remeasurement gain on previously held interest in an associate | 0 | (71.2) |

Other than the items highlighted above, there were no impairment of property, plant and equipment during the quarter and financial period ended 31 August 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:

| | Individual quarter | | Cumulative quarter | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | ended 31 Aug 2015 | ended 31 Aug 2014 | ended 31 Aug 2015 | ended 31 Aug 2014 |
| Current tax and zakat | (136.9) | (884.2) | (817.2) | (631.3) |
| Deferred tax (net): | | | | |
| Relating to origination and reversal of temporary differences | (466.0) | (103.6) | (255.6) | (56.6) |
| Total taxation and zakat | <u>(602.9)</u> | <u>(987.8)</u> | <u>(1,072.8)</u> | <u>(687.9)</u> |

For the reporting period ended 31 August 2015, the Group recorded a 15.0% 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:

| | As at 31 Aug 2015 | As at 31 Aug 2014 |
|----------------------|----------------------------------|----------------------------------|
| Short term - secured | 514.5 | 553.0 |
| - unsecured | 1,471.3 | 1,927.4 |
| Sub-total | 1,985.8 | 2,480.4 |
| Long term - secured | 11,897.1 | 11,877.0 |
| - unsecured | 10,816.0 | 11,098.6 |
| Sub-total | 22,713.1 | 22,975.6 |
| Total | 24,698.9 | 25,456.0 |

- b) Currency denominations:

| | As at 31 Aug 2015 | As at 31 Aug 2014 |
|--|----------------------------------|----------------------------------|
| Japanese Yen | 3,589.9 | 3,279.3 |
| US Dollar | 1,761.5 | 2,637.2 |
| Others | 17.0 | 49.4 |
| Total Ringgit equivalent of foreign currency borrowings | 5,368.4 | 5,965.9 |
| Ringgit borrowings | 19,330.5 | 19,490.1 |
| Total | 24,698.9 | 25,456.0 |

- c) Effective average cost of borrowing based on exposure as at 31 August 2015 was 4.80% (2014: 4.92%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM1,452.9 million, and
 - (ii) Ringgit denominated term loans of RM463.1 million.

23) DERIVATIVES FINANCIAL INSTRUMENTS

The currency option had been unwound with a net realised loss amounting to RM57.3million in August 2015. At the reporting date, the notional amount of the currency option contract is NIL (2014: RM790.1 million) with no interest rate (2014: 1.1%).

24) REALISED AND UNREALISED PROFITS

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

| | 31 Aug 2015 | 31 Aug 2014 |
|--|--------------------|--------------------|
| Total retained profits of the Company and its subsidiaries | | |
| -Realised | 43,482.0 | 38,861.3 |
| -Unrealised | (5,168.1) | (4,838.0) |
| Total share of retained profits from joint ventures | | |
| -Realised | 26.2 | 15.0 |
| -Unrealised | 12.6 | 6.1 |
| Total share of retained profits from associates | | |
| -Realised | 361.7 | 202.2 |
| -Unrealised | (61.7) | (25.3) |
| Consolidation adjustments | 2,946.4 | 3,011.2 |
| Total retained profits of the Group | 41,599.1 | 37,232.5 |

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 | ended | ended | ended |
| | 31.08.15 | 31.08.14 | 31.08.15 | 31.08.14 |
| Profit attributable to owners of the Company (RM 'million) | 820.9 | 1,355.9 | 6,118.4 | 6,467.0 |
| 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) | 14.55 | 24.03 | 108.41 | 114.59 |

27) EXCEPTIONAL ITEMS

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

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
29 October 2015