

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



The Board of Directors of PETRONAS Dagangan Berhad ("PDB" or the Company) is pleased to announce the following Unaudited Interim Condensed Consolidated Financial Statements for PDB Group for the third quarter ended 30 September 2014 which should be read in conjunction with the accompanying explanatory notes on pages 5 to 16.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/09/2014 RM'000	As at 31/12/2013 RM'000
ASSETS		
Property, Plant and Equipment	3,893,309	3,891,949
Prepaid Lease Payments	492,559	488,726
Investment in Associates	2,691	2,538
Investment in Joint Ventures	6,503	4,045
Deferred Tax Assets	7,379	7,624
TOTAL NON-CURRENT ASSETS	4,402,441	4,394,882
Inventories	1,301,563	1,193,220
Trade and Other Receivables	4,231,354	4,220,558
Cash and Cash Equivalents	394,550	358,633
TOTAL CURRENT ASSETS	5,927,467	5,772,411
TOTAL ASSETS	10,329,908	10,167,293
EQUITY		
Share Capital	993,454	993,454
Reserves	3,862,993	3,796,662
Total Equity Attributable to Shareholders of the Company	4,856,447	4,790,116
Non-Controlling Interests	42,614	39,366
TOTAL EQUITY	4,899,061	4,829,482
LIABILITIES		
Borrowings	146,763	139,580
Deferred Tax Liabilities	146,587	149,424
Other Long Term Liabilities and Provisions	31,411	30,614
TOTAL NON-CURRENT LIABILITIES	324,761	319,618
Trade and Other Payables	4,578,840	4,532,134
Borrowings	495,726	443,058
Taxation	31,520	43,001
TOTAL CURRENT LIABILITIES	5,106,086	5,018,193
TOTAL LIABILITIES	5,430,847	5,337,811
TOTAL EQUITY AND LIABILITIES	10,329,908	10,167,293
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (RM)	4.89	4.82

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended	3 months ended	9 months ended	9 months ended
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Revenue	8,226,648	8,412,061	24,888,180	23,955,934
Operating profit	230,728	315,346	712,216	924,209
Finance cost	(8,108)	(906)	(16,246)	(12,071)
Share of profit after tax of equity accounted associates and joint ventures	1,009	1,207	1,583	3,519
Profit before taxation	223,629	315,647	697,553	915,657
Tax expense	(61,721)	(86,709)	(190,028)	(249,246)
Profit for the period	161,908	228,938	507,525	666,411
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising from translation of financial statements of foreign operations	(1,825)	4,780	(2,644)	1,492
Total comprehensive income for the period	160,083	233,718	504,881	667,903
Profit attributable to:				
Shareholders of the Company	160,399	226,209	501,127	660,433
Non-controlling interests	1,509	2,729	6,398	5,978
Profit for the period	161,908	228,938	507,525	666,411
Total comprehensive income attributable to:				
Shareholders of the Company	158,574	230,989	498,483	661,925
Non-controlling interests	1,509	2,729	6,398	5,978
Total comprehensive income for the period	160,083	233,718	504,881	667,903
Earnings per ordinary share- basic (sen)	16.1	22.8	50.4	66.5

The Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Shareholders of the Company					Non-Controlling Interests	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Capital reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	993,454	2,020	(44,053)	3,858,571	4,809,992	35,289	4,845,281
Exchange difference arising from translation of financial statements of foreign operations	-	1,492	-	-	1,492	-	1,492
Profit for the period	-	-	-	660,433	660,433	5,978	666,411
Dividends paid	-	-	-	(654,935)	(654,935)	(3,150)	(658,085)
At 30 September 2013	993,454	3,512	(44,053)	3,864,069	4,816,982	38,117	4,855,099
At 1 January 2014	993,454	(820)	(44,053)	3,841,535	4,790,116	39,366	4,829,482
Exchange difference arising from translation of financial statements of foreign operations	-	(2,644)	-	-	(2,644)	-	(2,644)
Profit for the period	-	-	-	501,127	501,127	6,398	507,525
Dividends paid	-	-	-	(432,152)	(432,152)	(3,150)	(435,302)
At 30 September 2014	993,454	(3,464)	(44,053)	3,910,510	4,856,447	42,614	4,899,061

The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30/09/2014	9 months ended 30/09/2013
	RM'000	RM'000
Cash receipts from customers	25,123,428	23,607,513
Cash paid to suppliers and employees	(24,269,924)	(21,122,679)
	853,504	2,484,834
Interest expenses paid	(3,476)	(10,380)
Taxation paid	(213,742)	(292,888)
Net cash generated from operating activities	636,286	2,181,566
Acquisition of a joint venture	(1,028)	-
Advances to a joint venture	(3,067)	-
Dividend received	-	1,313
Interest income from fund and other investments	13,711	11,542
Prepayment of leases	(24,751)	(61,396)
Proceeds from disposal of property, plant and equipment	7,294	4,854
Purchase of property, plant and equipment	(239,747)	(289,964)
Net cash used in investing activities	(247,588)	(333,651)
Dividends paid	(432,152)	(654,935)
Dividends paid to non-controlling interests	(3,150)	(3,150)
Drawdown of Islamic Medium Term Notes	300,000	-
Drawdown of term loan	-	27,819
Net drawdown/ (repayment) of Islamic financing facility	11,159	(6,450)
Net repayment of revolving credit	(220,073)	(300,000)
Profit margin paid for Islamic financing facility	(3,348)	(3,522)
Profit margin paid for Islamic Medium Term Notes	(5,368)	-
Net cash used in financing activities	(352,932)	(940,238)
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,766	907,677
NET FOREIGN EXCHANGE DIFFERENCES	151	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	358,633	251,300
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	394,550	1,158,977

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the Unaudited Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements are unaudited and should be read in conjunction with the audited financial statements for the year ended 31 December 2013. The explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in its associates and its joint ventures as at and for the quarter ended 30 September 2014.

Significant Accounting Policies

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2014 except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2014.

A. MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

B. MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Properties (Annual Improvements 2011-2013 Cycle)

The adoption of the above pronouncement did not have any material impact to the financial statements of the Group.

C. MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 116	Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation)
Amendments to MFRS 138	Intangible Assets (Clarification of Acceptable Methods of Amortisation)
Amendments to MFRS 11	Joint Arrangements (Accounting for Acquisitions of Interests in Joint Operations)

D. MFRSs, Interpretations and amendments effective for a date yet to be confirmed

MFRS 9	Financial Instruments (2009)
MFRS 9	Financial Instruments (2010)
MFRS 9	Financial Instruments – Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139
Amendments to MFRS 7, Financial Instruments: Disclosures	Mandatory Effective Date of FRS 9 and Transition Disclosures

Based on the management's assessment, the adoption of the above pronouncements is not expected to have any material impact to the financial statements of the Group.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A2 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualified audit report issued by the auditors in the annual financial statements for the year ended 31 December 2013.

A3 SEASONAL OR CYCLICAL FACTORS

The Group's operations in relation to sales volume are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

A4 EXCEPTIONAL ITEM

There were no exceptional items during the current quarter under review.

A5 MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the annual financial statements of the Group for the year ended 31 December 2013 that may have a material effect in the current quarter results.

A6 COMMITMENTS

Outstanding commitments in respect of capital expenditure at financial position date not provided for in the interim financial statements are:-

	As at 30/09/2014	As at 30/09/2013
	RM'000	RM'000
Approved and contracted for	50,764	100,517
Approved but not contracted for	506,917	379,011
	<u>557,681</u>	<u>479,528</u>

A7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 September 2014.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A8 DIVIDENDS PAID

During the nine months period ended 30 September 2014, the following dividend payments were made :

1. A single tier interim dividend of 17.5 sen per ordinary share amounting to RM173,854,450.00 in respect of financial period ended 31 December 2013 was paid on 11 March 2014. (2012: an interim dividend payment of 17.5 sen per ordinary share less tax at 25% amounting to RM130,390,837.50 and a special dividend of 35.0 sen per ordinary share less tax at 25% amounting to RM260,781,675.00)
2. A single tier interim dividend of 12 sen per ordinary share amounting to RM119,214,480.00 in respect of three months period ended 31 March 2014 was paid on 11 June 2014 (2013: an interim dividend payment of 17.5 sen per ordinary share less tax at 25% amounting to RM130,390,837.50).
3. A single tier interim dividend of 14 sen per ordinary share amounting to RM139,083,560.00 in respect of three months period ended 30 June 2014 was paid on 5 September 2014 (2013: an interim dividend payment of 16.3 sen per ordinary share less tax at 25% amounting to RM121,449,751.50 and a single tier interim dividend of 1.2 sen per ordinary share amounting to RM11,921,448.00)

A9 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's reportable segments which are based on internal reports regularly reviewed by the entity's Board of Directors in order to allocate resources to the segment and to assess its performance.

Segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

There is no disclosure on geographical segment information as the result of the Group's operations outside of Malaysia is not material during the period under review.

There is no disclosure on major customer information as no customer represents equal or more than 10 percent of Group revenue.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

Results for 9 months period ended 30 September 2014

<i>In RM'000</i> Business Segments	2014				2013			
	Retail	Commercial	Others	Group	Retail	Commercial	Others	Group
Revenue	11,893,206	12,981,944	13,030	24,888,180	10,786,592	13,160,141	9,201	23,955,934
Depreciation and amortisation	181,242	34,977	1,202	217,421	170,431	34,581	1,168	206,180
Other income	141,766	8,018	753	150,537	131,370	8,379	465	140,214
Operating profit for reportable segments	369,940	320,100	22,176	712,216	565,547	336,801	21,861	924,209
Finance cost	(10,782)	(3,659)	(1,805)	(16,246)	(9,421)	(2,650)	-	(12,071)
Share of profit after tax of associates and joint ventures				1,583				3,519
Profit before taxation				697,553				915,657

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

A11 SUBSEQUENT EVENTS

In the opinion of the Directors, there were no transactions or events of a material or unusual nature that had occurred between 31 December 2013 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

On 24 April 2014, the Group, through its subsidiary, PETRONAS Aviation Sdn. Bhd. entered into a shareholder agreement with two other investors to acquire 40% equity interest in United Fuel Company LLC ("UFC"), a company incorporated in the Kingdom of Saudi Arabia. The principal activity of UFC is to undertake aviation refueling operations. In accordance to MFRS 11, *Joint Arrangement*, the Group has accounted for the investment as joint venture.

A13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A legal action had been commenced against the Company pursuant to a termination of a contract for a sum of RM25.4 million. The Company has also counter-claimed against the claimant for total sum of RM52.1 million. Based on legal advice, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position.

A14 RELATED PARTY TRANSACTIONS

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2013.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

a) Performance of the current quarter against the corresponding quarter

In RM' Mil	Quarter ended					
	Group		Retail		Commercial	
	September 2014	September 2013	September 2014	September 2013	September 2014	September 2013
Revenue	8,226.6	8,412.0	3,939.6	3,756.3	4,282.9	4,652.5
Operating Profit	230.7	315.3	98.1	220.7	133.3	90.6

Group Revenue for the quarter ended 30 September 2014 was RM8,226.6 million, a decrease of RM185.4 million over the results of the corresponding quarter last year mainly as a result of a decrease in sales volume by 4% despite an increase in average selling price by 2%.

Group Operating Profit for the quarter ended 30 September 2014 was RM230.7 million, a decrease of RM84.6 million compared to the corresponding quarter last year mainly as a result of lower gross margin by RM100.9 million.

Lower gross margin was mainly as a result of higher product cost due to unfavourable timing differences of the Mean of Platts Singapore ("MOPS") prices compared to corresponding quarter last year.

Retail Segment

The overall net increase in revenue of RM183.3 million was mainly due to increase in average selling price of Mogas coupled with an increase in sales volume by 3%. This was partially offset by decrease in sales volume for Diesel by 12%.

The decrease in operating profit by RM122.6 million compared to corresponding quarter last year, mainly due to lower gross margin by RM121.9 million.

Commercial Segment

The decrease in revenue by RM369.6 million was mainly due to a decrease in sales volume by 6% and lower average selling price by 2%. Decrease in sales volume was mainly attributed to lower Diesel and Fuel Oil sales volume during the quarter.

The increase in operating profit by RM42.7 million compared to corresponding quarter last year, mainly due to higher gross margin by RM22.6 million coupled with lower operating expenditure by RM14.6 million.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

b) Performance of the current period against the corresponding period

In RM' Mil	Period ended					
	Group		Retail		Commercial	
	September 2014	September 2013	September 2014	September 2013	September 2014	September 2013
Revenue	24,888.2	23,955.9	11,893.2	10,786.6	12,981.9	13,160.1
Operating Profit	712.2	924.2	369.9	565.5	320.1	336.8

Group Revenue for the period ended 30 September 2014 was RM24,888.2 million, an increase of RM932.3 million over the results of the corresponding period last year mainly as a result of increase in average selling prices by 6% partially offset by decrease in sales volume by 2%.

Group Operating Profit for the period was RM712.2 million, a decrease of RM212.0 million compared to the corresponding period last year mainly due to lower gross margin by RM127.1 million coupled with higher operating expenditure by RM95.2 million.

Lower gross margin was a result of higher product cost due to unfavourable timing differences of MOPS prices compared to corresponding period last year.

Meanwhile, higher operating expenditure was mainly attributed to manpower expenses, ICT maintenance charges, advertising and promotion and net loss on foreign currency as US Dollar weakened against Malaysian Ringgit during the current period compared to net gain on foreign currency during the corresponding period last year.

Retail Segment

The increase in revenue by RM1,106.6 million was mainly due to higher selling price of subsidised Mogas and Diesel as announced by the Government on 3 September 2013. This was supported by increase in sales volume by 1%.

The decrease in operating profit by RM195.6 million compared to corresponding period last year was mainly due to lower gross margin by RM143.7 million coupled with higher operating expenditure by RM62.3 million.

Commercial Segment

The decrease in Revenue by RM178.2 million was mainly due to decrease in sales volume by 5% despite higher average selling price by 4%. This was mainly attributed by decrease in sales volume for Diesel and Fuel Oil.

The decrease in operating profit by RM16.7 million compared to corresponding period last year, mainly due to higher operating expenditure by RM31.9 million partially offset by higher gross margin by RM15.6 million.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Group Revenue for the quarter ended 30 September 2014 was RM8,226.6 million, a decrease of RM141.4 million compared to the preceding quarter mainly as a result of lower average selling price by 2%, arising from decrease in MOPS prices compared to preceding quarter.

Group Operating Profit was RM230.7 million, a decrease of RM21.9 million compared to the preceding quarter mainly due to lower gross margin by RM59.9 million arising from higher product cost by RM48.8 million and lower volume contribution by RM11.1 million. This was partially offset by decrease in operating expenditure by RM16.7 million.

B3 CURRENT YEAR PROSPECTS (2014)

During the first half of the year, global oil prices remained in the range of USD105 to USD110 per barrel. However, since June 2014, prices have trended downwards and are hovering around USD85 per barrel. This downward trend has an adverse impact on PDB's margins. Thus, the Directors are of the opinion that the remainder of the year is expected to be challenging as the downward trend is expected to continue.

Notwithstanding these factors, PDB is committed to defend its overall market leadership position and grow the Company's business domestically by further strengthening the brand, sweating existing assets and continuously enhancing customer relationship management. The Company will also continue its cost optimisation efforts via the enhancement of supply and distribution efficiency as well as improvement of terminal operational excellence to further improve cost of operations.

Retail Segment

Retail Segment will continue to push for sales of petroleum products, leveraging on the recently launched PETRONAS PRIMAX 95 with Advanced Energy Formula. In addition, the Retail Segment will leverage on its extensive station and dealer network, differentiated products and service offerings to continue to meet and exceed customers' expectations.

Commercial Segment

Commercial Segment will focus on improving margins and will continue to widen its customer base in tandem with the increase in government and private sector spending on infrastructure and construction projects. In addition, the Commercial Segment will also leverage on its superior logistics, personalised services and differentiated offerings to sustain existing markets and capture new markets.

B4 PROFIT FORECAST

There was no profit forecast issued for the financial period.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B5 TAX EXPENSE

Taxation comprises the following:

	3 months ended 30/09/2014	3 months ended 30/09/2013	9 months ended 30/09/2014	9 months ended 30/09/2013
	RM'000	RM'000	RM'000	RM'000
<u>Income Tax:</u>				
Current Quarter/ Year-to-Date	60,248	96,791	192,854	264,394
<u>Deferred Taxation:</u>				
Current Quarter/ Year-to-Date	1,473	(10,082)	(2,826)	(15,148)
	61,721	86,709	190,028	249,246

The effective tax rate is higher than the statutory tax rate due to certain expenses disallowed for tax purposes.

B6 STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced as at the date of this report.

B7 BORROWINGS

Particulars of the Group's borrowing as at 30 September 2014 is as follows:

	As at 30/09/2014	As at 31/12/2013
	RM'000	RM'000
Non Current – Unsecured	106,766	98,825
Non Current – Secured	39,997	40,755
Current – Unsecured	495,726	443,058

B8 DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency forward contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

Foreign currency forward contracts are recognised on the contractual dates and are measured at fair value with changes in fair value recognised in profit or loss.

As at 30 September 2014, there were outstanding foreign currency forward contracts denominated in USD amounting to USD50.6 million.

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There are no financial liabilities (other than derivative financial instruments) measured at fair value through profit or loss as at the date of this report.

B10 MATERIAL LITIGATION

There are no material litigations as at the date of this report.

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FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B11 DIVIDENDS

The Board has declared a single tier interim dividend of 12 sen per ordinary share amounting to RM119,214,480.00 for three months ended 30 September 2014 payable on 5 December 2014 (Quarter 3 2013: a single tier interim dividend of 17.5 sen per ordinary share amounting to RM173,854,450.00).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 5 December 2014 to depositors registered in the Records of Depositors at the close of the business on 20 November 2014. A depositor shall qualify for entitlement to the dividends only in respect of:-

- Shares transferred into Depositors' Securities Account before 4 pm on 20 November 2014 in respect of ordinary transfer.
- Share bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia.

B12 BASIC EARNINGS PER SHARE

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and based on the number of ordinary shares outstanding as at 30 September 2014.

	3 months ended		9 months ended	
	<u>30/09/2014</u>	<u>30/09/2013</u>	<u>30/09/2014</u>	<u>30/09/2013</u>
Profit attributable to shareholders of the Company (RM'000)	160,399	226,209	501,127	660,433
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	16.1	22.8	50.4	66.5

B13 REALISED AND UNREALISED PROFIT

The breakdown of the retained earnings of the Group as at 30 September 2014 into realised and unrealised profits is as follows:

	Group	
	<u>30/09/2014</u> RM'000	<u>31/12/2013</u> RM'000
Total retained profits		
- realised	4,106,291	4,044,992
- unrealised	(134,308)	(147,392)
	<u>3,971,983</u>	<u>3,897,600</u>
Total retained profit of associates attributable to the Group		
- realised	5,245	6,043
- unrealised	-	-
Less: Consolidation adjustments	(66,718)	(62,108)
Total retained profits	<u><u>3,910,510</u></u>	<u><u>3,841,535</u></u>

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B14 PROFIT FOR THE PERIOD

	3 months ended 30/09/2014 RM'000	3 months ended 30/09/2013 RM'000	9 months ended 30/09/2014 RM'000	9 months ended 30/09/2013 RM'000
Profit for the period is arrived at after charging:				
Depreciation and amortisation	73,907	69,736	217,421	206,180
Impairment loss on trade receivables	5	127	-	149
Interest on revolving credit and term loan	1,866	686	4,649	10,436
Loss on disposal of property, plant and equipment	1,441	-	-	-
Net loss on foreign exchange	-	5,982	2,002	-
Net loss on forward contract	-	9,333	-	7,714
Profit margin for Islamic financing facility	248	-	1,806	-
Profit margin for Islamic Medium Term Notes	5,368	-	5,368	-
Property, plant and equipment written off	-	-	-	488
Trade receivables written off	35	-	57	-
and after crediting:				
Gain on disposal of property, plant and equipment	-	2,270	521	4,231
Interest income from deposits	4,622	4,867	13,265	14,037
Net gain on foreign exchange	3,979	-	-	17,863
Net gain on forward contract	1,063	-	849	-
Reversal of impairment losses on trade receivable	-	59	475	2,879

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

BY ORDER OF THE BOARD

Hasnizaini Mohd Zain (LS 0009780)
Yeap Kok Leong (MAICSA 0862549)
Joint Secretaries
Kuala Lumpur
4 November 2014