

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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 first quarter ended 31 March 2015 which should be read in conjunction with the accompanying explanatory notes on pages 5 to 15.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/03/2015 RM'000	As at 31/12/2014 RM'000
ASSETS		
Property, plant and equipment	4,006,041	4,031,094
Prepaid lease payments	496,106	500,908
Investment in associates	2,847	2,781
Investment in joint ventures	7,652	6,736
Deferred tax assets	16,795	8,227
TOTAL NON-CURRENT ASSETS	4,529,441	4,549,746
Inventories	631,595	1,031,957
Trade and other receivables	2,051,531	2,119,144
Cash and cash equivalents	1,056,772	1,839,684
TOTAL CURRENT ASSETS	3,739,898	4,990,785
TOTAL ASSETS	8,269,339	9,540,531
EQUITY		
Share capital	993,454	993,454
Reserves	3,751,699	3,758,725
Total Equity Attributable to Shareholders of the Company	4,745,153	4,752,179
Non-controlling interests	41,405	39,644
TOTAL EQUITY	4,786,558	4,791,823
LIABILITIES		
Borrowings	132,687	134,726
Deferred tax liabilities	136,644	140,189
Other long term liabilities and provisions	26,635	29,120
TOTAL NON-CURRENT LIABILITIES	295,966	304,035
Trade and other payables	3,058,678	4,059,457
Borrowings	56,617	359,638
Taxation	71,520	25,578
TOTAL CURRENT LIABILITIES	3,186,815	4,444,673
TOTAL LIABILITIES	3,482,781	4,748,708
TOTAL EQUITY AND LIABILITIES	8,269,339	9,540,531
Net assets per share attributable to ordinary equity holders of the Parent (RM)	4.78	4.78

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended	Quarter ended
	31/03/2015 RM'000	31/03/2014 RM'000
Revenue	<u>6,101,188</u>	<u>8,293,564</u>
Operating profit	287,175	228,914
Finance cost	(4,360)	(5,949)
Share of profit after tax of equity accounted associates and joint ventures	982	172
Profit before taxation	<u>283,797</u>	<u>223,137</u>
Tax expense	(76,268)	(65,944)
Profit for the period	<u>207,529</u>	<u>157,193</u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from translation of financial statements of foreign operations	5,766	(2,096)
Total comprehensive income for the period	<u>213,295</u>	<u>155,097</u>
Profit attributable to:		
Shareholders of the Company	205,768	155,079
Non-controlling interests	1,761	2,114
Profit for the period	<u>207,529</u>	<u>157,193</u>
Total comprehensive income attributable to:		
Shareholders of the Company	211,534	152,983
Non-controlling interests	1,761	2,114
Total comprehensive income for the period	<u>213,295</u>	<u>155,097</u>
Earnings per ordinary share- basic (sen)	20.7	15.6

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 2014 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Shareholders of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Foreign Currency Translation Reserves RM'000	Capital reserves RM'000	Retained Profits RM'000	Total RM'000	Distributable		
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	-	(2,096)	-	-	(2,096)	-	(2,096)	
Profit for the period	-	-	-	155,079	155,079	2,114	157,193	
Dividends paid	-	-	-	(173,854)	(173,854)	-	(173,854)	
At 31 March 2014	993,454	(2,916)	(44,053)	3,822,760	4,769,245	41,480	4,810,725	
At 1 January 2015	993,454	11,038	(44,053)	3,791,740	4,752,179	39,644	4,791,823	
Exchange difference arising from translation of financial statements of foreign operations	-	5,766	-	-	5,766	-	5,766	
Profit for the period	-	-	-	205,768	205,768	1,761	207,529	
Dividends paid	-	-	-	(218,560)	(218,560)	-	(218,560)	
At 31 March 2015	993,454	16,804	(44,053)	3,778,948	4,745,153	41,405	4,786,558	

The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period ended 31/03/2015	Period ended 31/03/2014
	RM'000	RM'000
Cash receipts from customers	6,020,026	8,139,597
Cash paid to suppliers and employees	(6,186,302)	(7,620,436)
	(166,276)	519,161
Interest expenses paid	(87)	(1,668)
Taxation paid	(35,980)	(79,795)
Net cash (used in)/generated from operating activities	(202,343)	437,698
Interest income from fund and other investments	12,646	2,829
Purchase of property, plant and equipment	(57,240)	(68,184)
Prepayment of leases	(3,268)	(12,630)
Proceeds from disposal of property, plant and equipment	651	3,628
Net cash used in investing activities	(47,211)	(74,357)
Dividends paid	(218,560)	(173,854)
Repayment of term loan	(2,279)	-
(Repayment)/drawdown of Islamic medium term notes	(300,000)	300,000
Repayment of Islamic financing facility	(4,094)	(3,188)
Repayment of revolving credit facility	(3,026)	(300,000)
Interest paid on term loan	(207)	(308)
Profit margin paid for Islamic medium term notes	(5,280)	-
Profit margin paid for Islamic financing facility	(1,310)	(1,209)
Net cash used in financing activities	(534,756)	(178,559)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(784,310)	184,782
NET FOREIGN EXCHANGE DIFFERENCES	1,398	(491)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,839,684	358,633
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,056,772	542,924

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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 2014. 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 2014.

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 31 March 2015.

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 interpretations effective as of 1 January 2015.

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

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

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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

The following pronouncements that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group in the interim financial statements:

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

Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
MFRS 14	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Regulatory Deferral Accounts
Amendments to MFRS 116	Presentation of Financial Statements – Disclosure Initiative
	Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119	Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
Amendments to MFRS 127	Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 134	Separate Financial Statements – Equity Method in Separate Financial Statements
	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

C. MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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D. MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
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The Group is expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The Group is currently assessing the impact of adopting the above pronouncements.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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 2014.

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 2014 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 31/03/2015	As at 31/12/2014
	RM'000	RM'000
Approved and contracted for	18,867	21,208
Approved but not contracted for	484,970	308,458
	<u>503,837</u>	<u>329,666</u>

A7 DEBT AND EQUITY SECURITIES

On 23 March 2015, the Company fully repaid RM300 million Islamic Medium Term Notes which was issued pursuant to the Sukuk Programme as announced on 21 March 2014.

Other than the above, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2015.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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

A8 DIVIDENDS PAID

During the quarter ended 31 March 2015, a special interim dividend of 22 sen per ordinary share amounting to RM218,559,880.00 for the quarter ended 31 December 2014 was paid on 27 March 2015 (Quarter 4 2013: an interim dividend of 17.5 sen per ordinary share amounting to RM173,854,450.00).

A9 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision maker, which is the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and assess the Group's performance, and for which discrete financial information is available.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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

Results for quarter ended 31 March 2015

In RM'000

Business Segments

	2015				2014			
	Retail	Commercial	Others	Group	Retail	Commercial	Others	Group
Revenue	3,220,353	2,874,269	6,566	6,101,188	3,929,218	4,360,046	4,300	8,293,564
Depreciation and amortisation	62,062	10,674	404	73,140	60,278	12,236	400	72,914
Other income	56,839	10,628	417	67,884	40,074	5,088	2,838	48,000
Operating profit for reportable segments	137,412	142,457	7,306	287,175	128,281	89,819	10,814	228,914
Finance cost	(1,717)	(1,418)	(1,225)	(4,360)	(4,677)	(1,272)	-	(5,949)
Share of profit after tax of associates and joint ventures				982				172
Profit before taxation				283,797				223,137

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2015



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 March 2015 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the period under review.

A13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities and contingent assets.

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 2014.

A15 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted price in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Group					
31 March 2015					
Financial Liabilities					
Islamic financing facility	-	98,076	-	98,076	115,153
Term loan	-	38,147	-	38,147	41,010
	-	136,223	-	136,223	156,163
Group					
31 December 2014					
Financial Liabilities					
Islamic financing facility	-	103,584	-	103,584	119,304
Term loan	-	39,239	-	39,239	40,783
	-	142,823	-	142,823	160,087

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the prevailing rate of interest charged on the respective loans at the end of the reporting period.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2015



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	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
Revenue	6,101.2	8,293.6	3,220.4	3,929.2	2,874.3	4,360.0
Operating profit	287.2	228.9	137.4	128.3	142.5	89.8

Group revenue for the quarter ended 31 March 2015 was RM6,101.2 million, a decrease of RM2,192.4 million over the results of the corresponding quarter last year mainly as a result of a decrease in average selling price by 22% coupled with a decrease in sales volume by 6%. The decrease in average selling price was in line with the decline in Means of Platts Singapore ("MOPS") prices beginning June 2014.

Group operating profit for the quarter ended 31 March 2015 was RM287.2 million, an increase of RM58.3 million compared to the corresponding quarter last year mainly as a result of lower operating expenditure by RM64.8 million and higher other income by RM19.9 million. This was partially offset by lower gross profit by RM26.4 million.

The reduction in operating expenditure was mainly due to variation in yearly bonus payment resulting in lower manpower expenses for the current quarter compared to corresponding quarter last year. In addition, lower marketing and promotions expenses and foreign exchange gain due to strengthening of USD against RM had further contributed to the lower operating expenditure.

Lower gross profit was mainly as a result of lower sales volume contribution from Retail Segment.

Retail Segment

The decrease in revenue of RM708.8 million was mainly due to a decrease in sales volume of Diesel by 32% coupled with a decrease in average selling price by 7%. Lower sales volume for Diesel was mainly due to impact of stricter enforcement by Government authorities to curb Diesel leakages.

The increase in operating profit by RM9.1 million compared to corresponding quarter last year was mainly due to lower operating expenditure by RM32.4 million and higher other income by RM16.7 million, partially offset with lower gross profit by RM40.0 million. Lower gross profit was mainly due to lower Diesel volume.

Commercial Segment

The decrease in revenue by RM1,485.7 million was mainly due to a decrease in average selling price and sales volume by 33% and 2%, respectively. Decrease in sales volume was mainly attributed to a decrease in sales volume for Fuel Oil.

The increase in operating profit by RM52.7 million was due to higher gross profit by RM13.9 million coupled by lower operating expenditure by RM33.3 million.

Despite overall reduction in sales volume, gross profit was higher arising from efforts undertaken to improve margins. Improvement in margins per litre were mainly contributed by Bitumen, Diesel and LPG.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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 31 March 2015 was RM6,101.2 million, a decrease of RM1,351.6 million compared to the preceding quarter mainly as a result of a decrease in average selling price by 19%.

Group operating profit was RM287.2 million, an increase of RM271.0 million compared to the preceding quarter mainly due to higher gross profit by RM156.8 million coupled with lower operating expenditure by RM100.1 million.

Quarter 4 2014 recorded a significantly lower gross profit mainly as a result of margin compression in line with the sharp decline in MOPS prices.

Lower operating expenditure was mainly attributed to higher repair and maintenance activities at petrol stations and terminals in preceding quarter. In addition, manpower expenses and marketing and promotions expenses were lower in the current quarter compared to preceding quarter.

B3 CURRENT YEAR PROSPECTS

Despite the decline in global commodity prices, including oil prices, Malaysia's economy is expected to remain on a moderate growth of 4.5% – 5.5%* in 2015. Private consumption is forecasted to record a more moderate growth of 6.0%* in 2015 as compared to 7.1%* in 2014. With the implementation of GST on 1 April 2015, the overall inflationary effect will have some impact on the consumers purchasing power. This cautious consumer spending pattern is expected to take several months to normalise, and this may affect the demand for fuel as well as non-fuel products.

The Government has also announced the implementation of Euro4M on staggered basis, starting with the introduction of Euro4M RON97 by September 2015.

The Directors are of the opinion that, the economic and business environment will continue to be challenging in 2015. The Group is currently undertaking measures to address the volatile oil price environment, including cost reduction efforts, inventory optimisation, and supply and distribution efficiency. Concurrently, the Group will pursue ongoing efforts including further strengthening of the brand, sweating of existing assets and continuously enhancing customer relationship management.

Retail Segment

Retail Segment will continue to push for sales of petroleum products, leveraging on the PETRONAS PRIMAX 95 with Advanced Energy Formula. Retail Segment will ensure Euro4M RON97 is available to the consumers by September 2015. Retail Segment will also continue to strengthen its product branding and leverage on its extensive station and dealer network, and offer differentiated services to meet 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.

* Bank Negara Annual Report 2014, published on 11 March 2015

B4 PROFIT FORECAST

There was no profit forecast issued for the financial year.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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:

	Quarter ended 31/03/2015	Quarter ended 31/03/2014
	RM'000	RM'000
<u>Income Tax:</u>		
Current Quarter	88,381	71,261
 <u>Deferred Taxation:</u>		
Current Quarter	(12,113)	(5,317)
	<u>76,268</u>	<u>65,944</u>

The effective tax rate was higher than the statutory tax rate mainly due to depreciation of buildings which was 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 31 March 2015 is as follows:

	As at 31/03/2015	As at 31/12/2014
	RM'000	RM'000
Non Current – Unsecured	98,511	102,529
Non Current – Secured	34,176	32,197
	<u>132,687</u>	<u>134,726</u>
 Current – Unsecured	49,782	351,052
Current – Secured	6,835	8,586
	<u>56,617</u>	<u>359,638</u>

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 31 March 2015, there were outstanding foreign currency forward contracts denominated in USD and SGD amounting to USD18,843 thousand and SGD49.1 thousand, respectively.

B10 MATERIAL LITIGATION

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

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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

B11 DIVIDENDS

The Board has declared an interim dividend of 12 sen per ordinary share amounting to RM119,214,480.00 for three months ended 31 March 2015 payable on 25 June 2015 (Quarter 1 2014: an interim dividend of 12 sen per ordinary share amounting to RM119,214,480.00).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 25 June 2015 to depositors registered in the Records of Depositors at the close of the business on 27 May 2015. A depositor shall qualify for entitlement to the dividends only in respect of:-

- a) Shares transferred into Depositors' Securities Account before 4 pm on 27 May 2015 in respect of ordinary transfer.
- b) 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 31 March 2015.

	Quarter ended	
	<u>31/03/2015</u>	<u>31/03/2014</u>
Profit attributable to shareholders of the Company (RM'000)	205,768	155,079
Number of ordinary shares ('000)	993,454	993,454
Earnings per ordinary share (sen)	20.7	15.6

B13 REALISED AND UNREALISED PROFIT

The breakdown of the retained earnings of the Group as at 31 March 2015 into realised and unrealised profits is as follows:

	<u>31/03/2015</u> RM'000	<u>31/12/2014</u> RM'000
Total retained profits		
- realised	3,925,477	3,968,823
- unrealised	(90,446)	(99,372)
	<u>3,835,031</u>	<u>3,869,451</u>
Total retained profit of associates attributable to the Group		
- realised	888	821
Total retained profit of joint ventures attributable to the Group		
- realised	6,599	5,683
Less: Consolidation adjustments	(63,570)	(84,215)
Total retained profits	<u><u>3,778,948</u></u>	<u><u>3,791,740</u></u>

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2015



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

B14 Profit for the period

	Quarter ended 31/03/2015 RM'000	Quarter ended 31/03/2014 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortisation	78,675	72,914
Impairment loss on trade receivables	36	7
Inventories written down to realisable value	371	-
Inventories written off	3,436	-
Interest on revolving credit and term loan	491	2,448
Loss on disposal of property, plant and equipment	74	-
Net loss on foreign exchange	-	2,914
Net loss on forward contract	205	99
Profit margin for Islamic financing facility	1,225	-
Profit margin for Islamic Medium Term Notes	2,321	-
Property, plant and equipment written off	7,306	-
and after crediting:		
Gain on disposal of property, plant and equipment	-	1,295
Interest income from deposits	12,948	4,172
Income from rental of premises	305	573
Net gain on foreign exchange	10,692	-
Reversal of impairment losses on trade receivables	-	28

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

11 May 2015