

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 2016 which should be read in conjunction with the accompanying explanatory notes on pages 5 to 15.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
ASSETS		
Property, plant and equipment	3,900,644	3,989,865
Prepaid lease payments	486,916	491,950
Investments in associates	3,055	3,015
Investments in joint ventures	10,861	10,281
Long term receivables	8,711	-
Deferred tax assets	6,803	9,412
TOTAL NON-CURRENT ASSETS	4,416,990	4,504,523
Inventories	531,561	625,558
Trade and other receivables	1,454,873	1,649,252
Cash and cash equivalents	2,360,662	1,258,637
Assets classified as held for sale	26,688	32,635
TOTAL CURRENT ASSETS	4,373,784	3,566,082
TOTAL ASSETS	8,790,774	8,070,605
EQUITY		
Share capital	993,454	993,454
Reserves	3,961,149	3,958,865
Total Equity Attributable to Shareholders of the Company	4,954,603	4,952,319
Non-controlling interests	33,267	31,693
TOTAL EQUITY	4,987,870	4,984,012
LIABILITIES		
Borrowings	106,586	113,321
Deferred tax liabilities	151,141	153,066
Other long term liabilities and provisions	27,689	27,427
TOTAL NON-CURRENT LIABILITIES	285,416	293,814
Trade and other payables	3,332,891	2,602,174
Borrowings	84,322	98,499
Taxation	77,680	67,600
Liabilities classified as held for sale	22,595	24,506
TOTAL CURRENT LIABILITIES	3,517,488	2,792,779
TOTAL LIABILITIES	3,802,904	3,086,593
TOTAL EQUITY AND LIABILITIES	8,790,774	8,070,605
Net assets per share attributable to ordinary equity holders of the Parent (RM)	4.99	4.98

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended	Quarter ended
	31/03/2016	31/03/2015
	RM'000	RM'000
Revenue	4,929,389	6,101,188
Operating profit	295,098	287,175
Finance cost	(1,768)	(4,360)
Share of profit after tax of equity accounted associates and joint ventures	620	982
Profit before taxation	293,950	283,797
Tax expense	(72,974)	(76,268)
Profit for the period	220,976	207,529
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	(18,427)	5,766
Total comprehensive income for the period	202,549	213,295
Profit attributable to:		
Shareholders of the Company	219,402	205,768
Non-controlling interests	1,574	1,761
Profit for the period	220,976	207,529
Total comprehensive income attributable to:		
Shareholders of the Company	200,975	211,534
Non-controlling interests	1,574	1,761
Total comprehensive income for the period	202,549	213,295
Earnings per ordinary share - basic (sen)	22.1	20.7

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 2015 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Shareholders of the Company						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	Non- Controlling Interests RM'000	
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
At 1 January 2016	993,454	40,213	(47,122)	3,965,774	4,952,319	31,693	4,984,012
Exchange difference arising from translation of financial statements of foreign operations	-	(18,427)	-	-	(18,427)	-	(18,427)
Profit for the period	-	-	-	219,402	219,402	1,574	220,976
Dividends paid	-	-	-	(198,691)	(198,691)	-	(198,691)
At 31 March 2016	993,454	21,786	(47,122)	3,986,485	4,954,603	33,267	4,987,870

The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period ended 31/03/2016	Period ended 31/03/2015
	RM'000	RM'000
Cash receipts from customers	5,166,005	6,020,026
Cash paid to suppliers and employees	(3,776,771)	(6,186,302)
	1,389,234	(166,276)
Interest expenses paid	(587)	(87)
Taxation paid	(66,790)	(35,980)
Net cash generated from/(used in) operating activities	1,321,857	(202,343)
Interest income from fund and other investments	24,273	12,646
Purchase of property, plant and equipment	(20,276)	(57,240)
Prepayment of leases	(9,678)	(3,268)
Proceeds from disposal of property, plant and equipment	13	651
Net cash used in investing activities	(5,668)	(47,211)
Dividends paid	(198,691)	(218,560)
Repayment of term loan	(2,355)	(2,279)
Repayment of Islamic medium term notes	-	(300,000)
Repayment of revolving credit facilities	(7,807)	(3,026)
Repayment of Islamic financing facilities	(4,208)	(4,094)
Interest paid on term loan	(357)	(207)
Profit margin paid for Islamic medium term notes	-	(5,280)
Profit margin paid for Islamic financing facilities	(1,141)	(1,310)
Net cash used in financing activities	(214,559)	(534,756)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,101,630	(784,310)
NET FOREIGN EXCHANGE DIFFERENCES	100	1,398
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,264,393	1,839,684
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,366,123	1,056,772

Included in the Cash and Cash Equivalents at end of the period is an amount of RM5,461,000 categorised as Disposal Group Held for Sale.

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 2015. 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 2015.

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 2016.

Significant Accounting Policies

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the annual consolidated financial statements for 31 December 2015 except for the adoption of Amendments to Standards effective as of 1 January 2016.

A. 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 11	Joint Arrangements (Accounting for Acquisitions of Interests in Joint Operations)
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation Amortisation)
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

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

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. Amendments effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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

C. Amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers

D. MFRS effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
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E. Amendments effective for a date yet to be confirmed

Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective.

- i) **MFRS 15, Revenue from Contracts with Customers**
MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

- ii) **MFRS 9, Financial Instruments**
MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

- iii) **MFRS 16, Leases**
MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

The MASB has issued pronouncements which are not yet effective, but for which are not relevant to the operations of the Group and the Company and hence, no further disclosure is warranted.

F. New pronouncements not applicable to the Group and the Company

Amendments to MFRS 10	Consolidated Financial Statements – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 12	Disclosure of Interests in Other Entities – Investment Entities: Applying the Consolidation Exception
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 116	Property, Plant and Equipment – Agriculture: Bearer Plants
Amendments to MFRS 128	Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
MFRS 141	Agriculture – Agriculture: Bearer Plants

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 2015.

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 most recent annual financial statements of the Group for the year ended 31 December 2015 that may have a material effect in the current quarter results.

Included in the trade and other receivables is an amount of RM89.9 million in respect of subsidy claims for diesel, which are pending approval from the Government Authorities.

The key assumption in estimating the recoverability of the amount was that there are letters received from the Government Authorities indicating that these claims will be reviewed and considered. All relevant documentations to support these claims have been submitted to the Government Authorities.

A6 COMMITMENTS

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

	As at 31/03/2016	As at 31/12/2015
	RM'000	RM'000
Approved and contracted for	5,913	9,104
Approved but not contracted for	299,234	185,942
	<u>305,147</u>	<u>195,046</u>

A7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2016.

A8 DIVIDENDS PAID

During the quarter ended 31 March 2016, a single tier interim dividend of 20 sen per ordinary share amounting to RM198,690,800.00 for the quarter ended 31 December 2015 was paid on 17 March 2016 (Quarter 4 2014: a single tier special interim dividend of 22 sen per ordinary share amounting to RM218,559,880.00).

A9 SEGMENTAL INFORMATION

The Group's reportable segments comprise of Retail, Commercial and Others. Each reportable segment offers different services because they require different marketing strategies.

For each of the reportable segment, the Group's chief operating decision maker which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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

Results for quarter ended 31 March 2016

<i>In RM'000</i> Business Segments	2016				2015			
	Retail	Commercial	Others	Group	Retail	Commercial	Others	Group
Revenue	2,886,506	2,036,665	6,218	4,929,389	3,220,353	2,874,269	6,566	6,101,188
Depreciation and amortisation	68,480	12,669	410	81,559	62,062	10,674	404	73,140
Other income	74,347	19,806	791	94,944	56,839	10,628	417	67,884
Operating profit for reportable segments	154,285	133,624	7,189	295,098	137,412	142,457	7,306	287,175
Finance cost	508	638	622	1,768	1,717	1,418	1,225	4,360
Share of profit after tax of associates and joint ventures				620				982
Profit before taxation				293,950				283,797

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The Group has announced its intention to sell two of its subsidiaries and the related assets and liabilities of the subsidiaries are presented as assets/liabilities classified as held for sale. Efforts to sell the subsidiaries are ongoing and the transaction is expected to complete in 2016. At 31 March 2016, the subsidiaries comprised assets of RM26.7 million less liabilities of RM22.6 million.

A12 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 2016 and the date of this announcement.

A13 CHANGES IN THE COMPOSITION OF THE GROUP

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

A14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities and contingent assets.

A15 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 2015.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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

A16 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 3 RM'000	Total RM'000	
Group			
31 March 2016			
Financial Liabilities			
Islamic financing facilities	91,128	91,128	97,978
Term loan	29,892	29,892	32,975
	<u>121,020</u>	<u>121,020</u>	<u>130,953</u>
Group			
31 December 2015			
Financial Liabilities			
Islamic financing facilities	88,871	88,871	102,697
Term loan	34,159	34,159	37,747
	<u>123,030</u>	<u>123,030</u>	<u>140,444</u>

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 2016



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 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Revenue	4,929.4	6,101.2	2,886.5	3,220.4	2,036.7	2,874.3
Operating profit	295.1	287.2	154.3	137.4	133.6	142.5

Group Revenue for the quarter ended 31 March 2016 was RM4,929.4 million, a decrease of RM1,171.8 million over the results of the corresponding quarter last year mainly as a result of a decrease in average selling price by 20%. The decrease in average selling price was due to a decrease in Means of Platts Singapore ("MOPS") prices.

Group operating profit for the quarter ended 31 March 2016 was RM295.1 million, an increase of RM7.9 million compared to the corresponding quarter last year mainly as a result of higher other income by RM27.0 million and partially negated by lower gross profit of RM21.6 million. Higher other income was mainly due to accounting reclassification arising from Goods and Services Tax ("GST") implementation which has no profit impact as well as higher interest income.

Retail Segment

The decrease in revenue of RM333.9 million was mainly due to a decrease in selling prices by 12%, coupled with a decline in sales volume of Diesel in line with lower Retail industry demand.

The increase in operating profit by RM16.9 million compared to corresponding quarter last year was mainly due to higher other income by RM17.5 million, lower operating expenditure by RM5.7 million and partially negated by lower gross profit of RM6.3 million. Decrease in gross profit was mainly as a result of the decline in selling price, in line with the fall in MOPS.

Commercial Segment

The decrease in revenue by RM837.6 million was mainly due to a decrease in average selling price by 29%. Decrease in average selling price had mainly impacted revenue contribution for Diesel and Aviation.

The decrease in operating profit by RM8.9 million was mainly due to lower gross profit by RM15.0 million recorded mainly by Diesel, in line with lower demand from exploration and production, as well as fishery sectors. In addition, lower operating profit was also due to higher operating expenses by RM3.1 million, partially negated by higher other income by RM9.2 million.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 2016 was RM4,929.4 million, a decrease of RM1,118.2 million compared to the preceding quarter mainly due to a decrease in average selling prices by 21%.

Group operating profit stood at RM295.1 million, an increase of RM164.5 million compared to the preceding quarter mainly due to lower operating expenditure by RM107.1 million and higher gross profit by RM64.2 million.

Lower operating expenditure was mainly attributable to lower repair and maintenance as well as lower manpower expenses in the current quarter following variation in yearly bonus payment. Higher gross profit was a result of increased sales volume in Retail and Commercial segments, and higher margins for Retail.

B3 CURRENT YEAR PROSPECTS

Oil prices (Brent) dropped by 22% in Q1 2016 (USD34/bbl) compared to Q4 2015 (USD44/bbl). Global crude oil is expected to remain in oversupply situation resulting in continued oil price volatility.

Malaysia's GDP is expected to grow moderately between 4.0% - 4.5% this year compared to 5% in 2015.

Malaysia's Consumer Confidence Index (CCI)* rose by 9.1 points to 72.9 in Q1 2016 from Q4 2015 (63.8 points) but it is still below threshold level of confidence. Consumers remain cautious in spending due to increasing cost of living which may potentially impact both fuel and non-fuel demand.

In terms of foreign exchange, the Malaysian Ringgit had strengthened by 2% against USD from Q4 2015 (USD1:RM4.29) to Q1 2016 (USD1:RM4.20).

The Directors are of the opinion that the economic and business environment outlook for FY2016 remains challenging. The Group will continue on inventory management, supply and distribution efficiency as well as operating expenditure optimisation to ensure the Company remains resilient in the face of a challenging environment.

Retail Segment

Retail Segment will push for higher sales of petroleum products, leveraging on its superior products, namely PETRONAS PRIMAX 95 with Advanced Energy Formula and PETRONAS PRIMAX 97 Euro 4M with Advanced Energy Formula. Retail Segment will also focus on enhancing customer experience and services to meet customers' expectations.

Commercial Segment

Commercial Segment will emphasise on value by improving margins in targeted product and market segments, leveraging on the public and private sector investments 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.

*(Source: *Nielsen)*

B4 PROFIT FORECAST

There was no profit forecast issued for the financial period.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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 31/03/2016	Quarter ended 31/03/2015
	RM'000	RM'000
<u>Income Tax:</u>		
Current Quarter	72,290	88,381
<u>Deferred Taxation:</u>		
Current Quarter	684	(12,113)
	<u>72,974</u>	<u>76,268</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 borrowings as at 31 March 2016 are as follows:

	As at 31/03/2016	As at 31/12/2015
	RM'000	RM'000
Non Current – Unsecured	80,677	85,640
Non Current – Secured	25,909	27,681
	<u>106,586</u>	<u>113,321</u>
Current – Unsecured	77,256	88,433
Current – Secured	7,066	10,066
	<u>84,322</u>	<u>98,499</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 2016, there were outstanding foreign currency forward contracts denominated in USD amounting to USD4.36 million.

B9 MATERIAL LITIGATION

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

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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

B10 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 31 March 2016 payable on 8 June 2016 (Quarter 1 2015: a single tier 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 8 June 2016 to depositors registered in the Records of Depositors at the close of the business on 26 May 2016. A depositor shall qualify for entitlement to the dividends only in respect of:-

- Shares transferred into Depositors' Securities Account before 4 pm on 26 May 2016 in respect of ordinary transfer.
- Share bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia.

B11 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 2016.

	<u>Quarter ended</u> <u>31/03/2016</u>	<u>Quarter ended</u> <u>31/03/2015</u>
Profit attributable to shareholders of the Company (RM'000)	219,402	205,768
Number of ordinary shares ('000)	993,454	993,454
Earnings per ordinary share (sen)	22.1	20.7

B12 REALISED AND UNREALISED PROFIT

The breakdown of the retained earnings of the Group as at 31 March 2016 into realised and unrealised profits is as follows:

	<u>Group</u>	
	<u>31/03/2016</u> RM'000	<u>31/12/2015</u> RM'000
Total retained profits		
- realised	4,125,274	4,119,185
- unrealised	(113,699)	(111,775)
	<u>4,011,575</u>	<u>4,007,410</u>
Total retained profit of associates attributable to the Group		
- realised	1,096	1,056
Total retained profit of joint ventures attributable to the Group		
- realised	9,807	9,228
Less: Consolidation adjustments	(35,995)	(51,920)
Total retained profits	<u><u>3,986,485</u></u>	<u><u>3,965,774</u></u>

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2016



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

B13 Profit for the period

	Quarter ended 31/03/2016 RM'000	Quarter ended 31/03/2015 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortisation	81,559	78,675
Impairment of property, plant and equipment	-	6,528
Impairment loss on trade and other receivables	987	36
Inventories written off	-	3,436
Interest on revolving credit and term loan	815	491
Loss on disposal of property, plant and equipment	356	74
Net loss on forward contract	161	205
Net loss on foreign exchange	224	-
Profit margin for Islamic financing facilities	622	1,225
Profit margin for Islamic Medium Term Notes	-	2,321
Property, plant and equipment written off	364	778
and after crediting:		
Interest income from deposits	24,056	12,948
Income from rental of premises	134	305
Net gain on foreign exchange	-	10,692
Reversal of impairment losses on trade receivables	40	-

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 2016