



PETRONAS

PETRONAS GAS BERHAD

Quarterly Report

for the First Quarter ended 31 March 2016

QUARTERLY REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2016



Key Financial Highlights	3 months ended	
	2016	31 March 2015
<i>In RM'000</i>		
Revenue	1,130,593	1,101,313
Profit before taxation	578,718	571,291
Profit for the period	447,272	449,971
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	799,734	774,287
Earnings per share (EPS) (sen)	22.60	22.74
Declared dividends per share (sen)	14.00	14.00

- **PETRONAS Gas Berhad Group's revenue for the quarter ended 31 March 2016 sustained at RM1.1 billion, a marginal increase of 2.7%** as compared to the corresponding quarter primarily driven by higher gas processing revenue in line with higher performance based structure income and regasification revenue attributed to higher storage fees.
- **Profit before taxation (PBT) was RM578.7 million, a marginal improvement of RM7.4 million** as compared to the same quarter last year.
- **Profit for the quarter declined by 0.6%**, primarily due to higher tax expense.
- **Earnings before interest, taxes, depreciation and amortisation were higher by 3.3%** in line with higher profit before taxation.
- **Earnings per share dropped by 0.14 sen**, in tandem with lower net profit attributable to ordinary shareholders of the Company.
- **The Board of Directors has approved** a first interim dividend of 14 sen per ordinary share amounting to RM277.0 million in respect of the financial year ending 31 December 2016.

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The Board of Directors of PETRONAS Gas Berhad (PGB or the Company) is pleased to announce the following unaudited condensed consolidated financial statements of PGB Group for the first quarter ended 31 March 2016 which should be read in conjunction with the Explanatory Notes on pages 5 to 14.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2016	As at 31 December 2015
<i>In RM'000</i>		
ASSETS		
Property, plant and equipment	11,356,894	11,323,848
Prepaid lease payment	4,122	4,518
Investment in associate	129,838	128,063
Investment in joint ventures	550,922	547,647
Deferred tax assets	444,244	456,360
TOTAL NON-CURRENT ASSETS	12,486,020	12,460,436
Trade and other inventories	67,972	46,367
Trade and other receivables	605,268	644,389
Cash and cash equivalents	1,268,342	1,230,815
Tax recoverable	1,053	-
TOTAL CURRENT ASSETS	1,942,635	1,921,571
TOTAL ASSETS	14,428,655	14,382,007
EQUITY		
Share capital	1,978,732	1,978,732
Reserves	9,621,604	9,460,067
Total equity attributable to the shareholders of the Company	11,600,336	11,438,799
Non-controlling interests	151,451	156,137
TOTAL EQUITY	11,751,787	11,594,936
LIABILITIES		
Borrowings	1,099,719	1,029,596
Deferred tax liabilities	1,020,650	922,594
Deferred income	6,616	6,852
TOTAL NON-CURRENT LIABILITIES	2,126,985	1,959,042
Trade and other payables	523,338	796,539
Borrowings	26,545	28,664
Tax payable	-	2,826
TOTAL CURRENT LIABILITIES	549,883	828,029
TOTAL LIABILITIES	2,676,868	2,787,071
TOTAL EQUITY AND LIABILITIES	14,428,655	14,382,007
Net assets per share attributable to the shareholders of the Company (RM)	5.8625	5.7809

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

<i>In RM'000</i>	2016	3 months ended 31 March 2015
Revenue	1,130,593	1,101,313
Cost of revenue	(551,007)	(505,705)
Gross profit	579,586	595,608
Administration expenses	(16,308)	(14,165)
Other expenses	(39)	(55,386)
Other income	28,699	42,388
Operating profit	591,938	568,445
Financing costs	(23,755)	(20,978)
Share of profit after tax of equity-accounted associate and joint ventures	10,535	23,824
Profit before taxation	578,718	571,291
Tax expense	(131,446)	(121,320)
PROFIT FOR THE PERIOD	447,272	449,971
Other comprehensive income/(expenses)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movement from exchange differences	(49,660)	13,964
Cash flow hedge	88,517	-
Share of cash flow hedge of an equity-accounted joint venture	(5,485)	7,314
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	480,644	471,249
Profit attributable to:		
Shareholders of the Company	447,168	449,936
Non-controlling interests	104	35
PROFIT FOR THE PERIOD	447,272	449,971
Total comprehensive income/(expenses) attributable to:		
Shareholders of the Company	497,921	467,335
Non-controlling interests	(17,277)	3,914
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	480,644	471,249
Basic and diluted earnings per ordinary share (sen)	22.60	22.74

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

In RM'000	Attributable to shareholders of the Company							
	Non-Distributable				Distributable		Non-controlling interests	Total
	Share capital	Share premium	Hedging reserve	Foreign currency translation reserve	Retained profits	Total		
Quarter ended 31 March 2015								
Balance at 1 January 2015	1,978,732	1,186,472	12,546	-	7,356,128	10,533,878	35,125	10,569,003
Net movement from exchange differences	-	-	-	10,085	-	10,085	3,879	13,964
Share of cash flow hedge of an equity-accounted joint venture	-	-	7,314	-	-	7,314	-	7,314
Profit for the period	-	-	-	-	449,936	449,936	35	449,971
Total comprehensive income for the period	-	-	7,314	10,085	449,936	467,335	3,914	471,249
Issuance of shares to non-controlling interest	-	-	-	-	-	-	23,300	23,300
Interim dividend declared and paid in respect of previous year	-	-	-	-	(296,810)	(296,810)	-	(296,810)
Total transactions with shareholders of the Company	-	-	-	-	(296,810)	(296,810)	23,300	(273,510)
Balance at 31 March 2015	1,978,732	1,186,472	19,860	10,085	7,509,254	10,704,403	62,339	10,766,742
Quarter ended 31 March 2016								
Balance at 1 January 2016	1,978,732	1,186,472	41,485	36,371	8,195,739	11,438,799	156,137	11,594,936
Net movement from exchange differences	-	-	-	(32,279)	-	(32,279)	(17,381)	(49,660)
Cash flow hedge	-	-	88,517	-	-	88,517	-	88,517
Share of cash flow hedge of an equity-accounted joint venture	-	-	(5,485)	-	-	(5,485)	-	(5,485)
Profit for the period	-	-	-	-	447,168	447,168	104	447,272
Total comprehensive income for the period	-	-	83,032	(32,279)	447,168	497,921	(17,277)	480,644
Issuance of shares to non-controlling interest	-	-	-	-	-	-	12,591	12,591
Interim dividend declared and paid in respect of previous year	-	-	-	-	(336,384)	(336,384)	-	(336,384)
Total transactions with shareholders of the Company	-	-	-	-	(336,384)	(336,384)	12,591	(323,793)
Balance at 31 March 2016	1,978,732	1,186,472	124,517	4,092	8,306,523	11,600,336	151,451	11,751,787

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In RM'000</i>	3 months ended	
	2016	31 March 2015
Cash receipts from customers	1,202,749	1,154,510
Cash paid to suppliers and employees	(597,456)	(473,996)
	605,293	680,514
Interest income from fund investments	7,396	4,999
Taxation paid	(25,153)	(48,555)
Net cash generated from operating activities	587,536	636,958
Dividend received from associate and joint venture	-	7,600
Purchase of property, plant and equipment	(356,683)	(188,628)
Proceeds from disposal of property, plant and equipment	57	363
Net cash used in investing activities	(356,626)	(180,665)
Dividends paid	(336,384)	(296,810)
Financing costs paid	(31,753)	(20,978)
Drawdown of term loan	121,574	-
Drawdown of loan from corporate shareholder of a subsidiary	48,307	-
Repayment of finance lease liabilities	(6,639)	(4,952)
Proceeds from shares issued to a non-controlling interest	12,591	23,300
Net cash used in financing activities	(192,304)	(299,440)
Net increase in cash and cash equivalents	38,606	156,853
Net foreign exchange difference	(1,079)	755
Cash and cash equivalents at beginning of the period	1,230,815	637,746
Cash and cash equivalents at end of the period	1,268,342	795,354

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. 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 the requirements of IAS 34, *Interim Financial Reporting* and 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 Group's audited consolidated financial statements and the accompanying notes 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 an 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 an associate and its joint ventures as at and for the quarter ended 31 March 2016.

2. 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 2016 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2015 except as described below.

As of 1 January 2016, the Group has adopted the following amendments to MFRSs which are 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 and 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 adoption of the above amendments to MFRSs did not have material impact to the financial statements of the Group.

3. 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.

4. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the interim financial statements of the Group that may have a material effect for the quarter ended 31 March 2016.

5. SEASONAL OR CYCLICAL FACTORS

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

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FOR THE FIRST QUARTER ENDED 31 MARCH 2016



PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

6. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter under review other than as disclosed in the quarterly report.

7. PROPERTY, PLANT AND EQUIPMENT

Freehold land and projects-in-progress are stated at cost and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

8. 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.

9. DIVIDENDS

The following dividends were declared and paid by the Company:

<i>In RM'000</i>	3 months ended	
	2016	31 March 2015
Ordinary		
Interim paid:		
2014 - Third interim dividend of 15 sen per ordinary share	-	296,810
2015 - Fourth interim dividend of 17 sen per ordinary share	<u>336,384</u>	-
	<u>336,384</u>	<u>296,810</u>

The Board of Directors has approved on 9 May 2016, a first interim dividend of 14 sen per ordinary share amounting to RM277.0 million in respect of the financial year ending 31 December 2016. The interim dividend will be payable on 8 June 2016 to depositors registered in the record of depositors as at 25 May 2016.

The interim financial statements for the current quarter do not reflect this approved interim dividend. The dividend, will be accounted for in equity as an appropriation of retained profits in the financial statements for the second quarter ending 30 June 2016.

10. CHANGES IN THE COMPOSITION OF THE GROUP

The Company had on 10 February 2016, terminated the Shareholders Agreement (SHA) with Sabah Energy Corporation Sdn. Bhd. (SEC) and accordingly, had acquired the remaining 1% interest in Regas Terminal (Lahad Datu) Sdn. Bhd. (RGTLD), a subsidiary of the Group from SEC for a purchase consideration of RM1,000. Upon acquisition, the Group increased its ownership in RGTLD from 99% to 100%.

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION

The Group has four reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reporting segments:

- Gas Processing – activities include processing of natural gas from gas fields offshore the East Coast of Peninsular Malaysia into salesgas and other by-products such as ethane, propane and butane.
- Gas Transportation – activities include transportation of the processed gas to PETRONAS' end customers throughout Malaysia and export to Singapore.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities to the petrochemical complexes in the Kertih and Gebeng Industrial Area.
- Regasification – activities include regasification of liquefied natural gas (LNG) for PETRONAS.

Performance is measured based on segment gross profit, as included in the performance reports to the Board of Directors as the Company believes that such information is the most relevant in evaluating the results of the segments.

The Group operates in Malaysia and accordingly, information by geographical location is not presented.

The segmental information in respect of the associate and joint ventures is not presented as the contribution of the associate and joint ventures and the carrying amount of investment in the associate and joint ventures have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group.

<i>In RM'000</i>					3 months ended
					31 March 2016
Business Segment	Gas Processing	Gas Transportation	Utilities	Regasification	Total
Revenue	389,781	327,127	252,885	160,800	1,130,593
Segment results	200,927	259,368	48,635	70,656	579,586
Unallocated income					12,352
Operating profit					591,938
Financing costs					(23,755)
Share of profit after tax of equity-accounted associate and joint ventures					10,535
Profit before taxation					578,718

<i>In RM'000</i>					3 months ended
					31 March 2015
Business Segment	Gas Processing	Gas Transportation	Utilities	Regasification	Total
Revenue	375,141	323,195	249,449	153,528	1,101,313
Segment results	203,706	259,503	56,098	76,301	595,608
Unallocated expenses					(27,163)
Operating profit					568,445
Financing costs					(20,978)
Share of profit after tax of equity-accounted associate and joint ventures					23,824
Profit before taxation					571,291

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION (continued)

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income mainly comprises foreign exchange gain or loss, other corporate income and expenses.

12. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter.

13. CONTINGENCIES

There were no material contingent liabilities and contingent assets since the last audited statement of financial position as at 31 December 2015.

14. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of each reporting period not provided for in the interim financial statements are as follows:

<i>In RM'000</i>	As at 31 March 2016	As at 31 December 2015
Property, plant and equipment		
Approved and contracted for	2,651,299	3,028,692
Approved but not contracted for	1,395,338	1,813,904
	4,046,637	4,842,596
Share of capital expenditure of joint ventures		
Approved and contracted for	-	-
Approved but not contracted for	9,055	9,221
	9,055	9,221
	4,055,692	4,851,817

15. 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.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2016



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

16. REVIEW OF GROUP PERFORMANCE

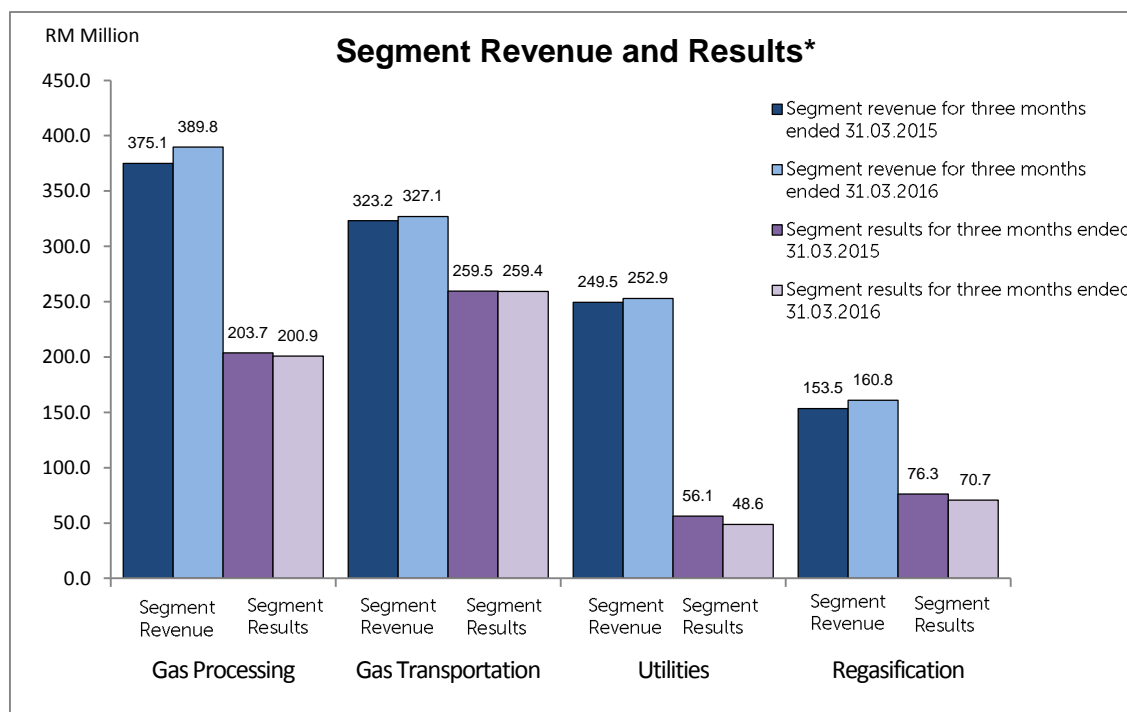
Current quarter against the corresponding quarter

<i>In RM'000</i>	3 months ended	
	2016	31 March 2015
Revenue	1,130,593	1,101,313
Profit before taxation	578,718	571,291
Profit for the quarter	447,272	449,971

The Group’s revenue for the quarter ended 31 March 2016 remained stable at RM1,130.6 million with a marginal increase of RM29.3 million or 2.7% as compared to the corresponding quarter. This was primarily contributed by higher gas processing revenue in line with higher performance based structure (PBS) income and higher regasification revenue attributed to higher storage fees.

Profit before taxation was marginally higher by RM7.4 million. Profit for the quarter however declined by RM2.7 million due to higher tax expense.

The following section will provide further analysis of the Group performance by operating segments.



*Note: Segment Results refers to Gross Profit

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

16. REVIEW OF GROUP PERFORMANCE (continued)

Current quarter against the corresponding quarter (continued)

Gas Processing

Revenue for the quarter ended 31 March 2016 improved by RM14.7 million as compared to the corresponding quarter mainly attributable to higher PBS income as a result of the plant's higher liquid extraction performance as compared to target.

However, Gas Processing segment results of RM200.9 million, was marginally lower by RM2.8 million due to higher depreciation expense in line with higher projects completed post quarter 1, FY2015.

Gas Transportation

Gas Transportation segment registered revenue of RM327.1 million for the quarter, reflecting an increase of RM3.9 million from RM323.2 million recorded in the corresponding quarter in line with higher capacity booking from PETRONAS. Segment results of RM259.4 million was comparable against same quarter last year due to higher repair and maintenance costs to improve asset integrity.

Utilities

Utilities revenue for the quarter ended 31 March 2016 rose by RM3.4 million to RM252.9 million, primarily contributed by higher average sales price in line with upward fuel gas price revision effective 1 January 2016. However, this was partially offset by lower offtake by customers.

Utilities segment registered results of RM48.6 million, a decrease of RM7.5 million as compared to the corresponding quarter due to higher operating costs.

Regasification

Regasification revenue for the quarter ended 31 March 2016 was RM160.8 million, an increase of RM7.3 million as compared to the corresponding quarter due to higher storage fees attributed to the strengthening of USD against RM.

Regasification segment results for the quarter were lower by RM5.6 million resulted from higher repair and maintenance costs.

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

17. COMPARISON WITH PRECEDING QUARTER RESULTS

<i>In RM'000</i>	3 months ended	
	31 March 2016	31 December 2015
Revenue	1,130,593	1,136,722
Profit before taxation (PBT)	578,718	488,223
Profit for the quarter	447,272	410,941

The Group registered revenue for the quarter of RM1,130.6 million, lower by RM6.1 million as compared to the preceding quarter primarily due to lower booking capacity for Gas Transportation segment resulted from lower number of calendar days and lower storage fees for Regasification segment in line with weakening of USD against RM.

Profit before tax increased by RM90.5 million mainly due to lower operating costs partially offset by lower other income and unrealised forex gain in the preceding quarter. Accordingly, profit for the quarter was higher by RM36.3 million in line with higher PBT.

Excluding impact of forex and tax incentives recorded in the preceding quarter, profit for the quarter would have increased by RM110.3 million attributable to lower operating costs.

18. COMMENTARY ON PROSPECTS

The Group performance is expected to remain steady in 2016 amidst the challenging economic environment backed by its solid business models under Gas Processing Agreement, Gas Transportation Agreements and Regasification Service Agreement signed with PETRONAS respectively, whilst the Utilities segment performance will be dependent on demand from petrochemical customers.

19. PROFIT FORECAST

Not applicable as no profit forecast was published.

20. TAXATION

Taxation comprises the following:

<i>In RM'000</i>	3 months ended	
	2016	31 March 2015
Current tax expenses		
Malaysia		
- current period	21,274	123,880
Deferred tax expenses		
- origination and reversal of temporary differences	110,172	(2,560)
Total tax expenses	131,446	121,320

The effective tax rate (ETR) for the quarter ended 31 March 2016 and the corresponding quarter are lower than the statutory tax rate of 24% and 25% respectively due to utilisation of tax incentives granted for Utilities segment.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2016

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD****21. STATUS OF CORPORATE PROPOSAL ANNOUNCED BUT NOT COMPLETED**

There was no corporate proposal announced but not completed as at the date of this report.

22. BORROWINGS

Particulars of Group's borrowings are as follows:

<i>In RM'000</i>	As at 31 March 2016	As at 31 December 2015
Non Current		
Finance lease liabilities	936,559	1,029,596
Term loan	117,954	-
Loan from corporate shareholder of a subsidiary	45,206	-
	1,099,719	1,029,596
Current		
Finance lease liabilities	26,545	28,664
	26,545	28,664
	1,126,264	1,058,260
<i>In RM'000</i>		
<i>By Currency</i>		
USD	1,126,264	1,058,260

Terms and debt repayment schedule:

<i>In RM'000</i>	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Secured					
Finance lease liabilities	963,104	26,545	29,073	105,255	802,231
Unsecured					
Term loan	117,954	-	-	117,954	-
Loan from corporate shareholder of a subsidiary	45,206	-	-	45,206	-
	1,126,264	26,545	29,073	268,415	802,231

The secured finance lease liabilities bears interest at rates of 9.13% (2015:9.13%) per annum. The unsecured term loan bears interest at rates ranging from 1.2% to 1.4% per annum and are due for full payment in 2021. Loan from corporate shareholder of a subsidiary bears interest at a rate of 6.5% per annum and repayable in tranches at their various due dates from 2018 to 2028.

Finance lease liabilities

As of 1 January 2016, the Group has adopted cash flow hedge accounting in which a USD denominated finance lease liability on floating storage unit time charter has been designated as a hedging instrument to hedge variability in cash flow from storage income that is attributable to foreign currency risk. The foreign exchange gain or loss on the hedging instrument is determined to be an effective hedge and is recognised in other comprehensive income until such a time that it will be reclassified from equity into profit or loss, in the same period during which the hedged forecast cashflow affect profit and loss.

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

22. BORROWINGS (continued)

Term loan

The Company had on 7 January 2016, executed a Facility Agreement with Mizuho Bank Ltd., Mizuho Bank Ltd. Labuan Branch and Mizuho Bank (Malaysia) Berhad for a USD500 million 5 year term loan facility. The term loan is unsecured and is subject to a floating interest rate.

In connection with the Facility Agreement, the Group have agreed on the following significant covenants on the Group with the lender:

- i. The ratio of debt to capital shall not exceed 1:1 ratio; and
- ii. The Shareholders' Funds shall not be less than RM10 billion.

Each of the above is determined from the latest audited financial statements of the Group.

23. MATERIAL LITIGATION

There has been no material litigation as at the date of this report.

24. EARNINGS PER SHARE

Basic earnings per share (EPS) is derived based on the net profit attributable to shareholders of the Company and the number of ordinary shares outstanding during the period.

	3 months ended	
	2016	31 March 2015
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	447,168	449,936
Number of ordinary shares in issue ('000)	1,978,732	1,978,732
EPS (sen)	22.60	22.74

Diluted EPS is derived based on the profit attributable to shareholders of the Company after adjustment for the effect of all dilutive potential ordinary shares. As at the date of the statement of financial position, the Company has not issued any dilutive potential ordinary shares, hence, the diluted EPS is the same as the basic EPS.

25. AUDITOR REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

As disclosed in Note 3.

26. PROFIT FOR THE PERIOD

	3 months ended	
<i>In RM'000</i>	2016	31 March 2015
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	204,292	187,042
Property, plant and equipment written off	39	1,841
Loss on unrealised foreign exchange	-	53,545
and crediting:		
Gain on realised foreign exchange	1,556	2,640
Gain on unrealised foreign exchange	4,955	-
Gain on disposal of property, plant and equipment	57	266
Interest income from fund investments	7,031	5,024

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FOR THE FIRST QUARTER ENDED 31 MARCH 2016

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD****26. PROFIT FOR THE PERIOD (continued)**

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

27. DIVIDENDS

As disclosed in Note 9.

28. REALISED AND UNREALISED PROFITS

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

<i>In RM'000</i>	As at 31 March 2016	As at 31 December 2015
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- realised	8,511,606	8,494,324
- unrealised	(583,511)	(666,789)
	<u>7,928,095</u>	<u>7,827,535</u>
Total share of retained profits/(accumulated losses) from an associate:		
- realised	76,799	74,949
- unrealised	(23,427)	(23,351)
	<u>53,372</u>	<u>51,598</u>
Total share of retained profits from joint ventures:		
- realised	141,482	109,266
- unrealised	181,191	204,645
	<u>322,673</u>	<u>313,911</u>
Consolidation adjustments	2,383	2,695
Total retained profits	<u>8,306,523</u>	<u>8,195,739</u>

29. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 9 May 2016.

BY ORDER OF THE BOARD

Intan Shafinas (Tuty) Hussain (LS0009774)
Yeap Kok Leong (MAICSA0862549)
Company Secretaries
Kuala Lumpur
9 May 2016