



PETRONAS

PETRONAS Group Financial Report

**For Fourth Quarter and
Year Ended 31 December 2017**

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FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

Cumulative quarter ended		Key Financial and Operational Highlights	Individual quarter ended		
31.12.2016	31.12.2017		31.12.2017	30.9.2017	31.12.2016
Restated					Restated
195,061	223,622	Revenue (RM mil)	61,787	53,684	54,347
33,910	64,652	Profit Before Taxation (RM mil)	23,639	14,951	15,618
23,762	45,518	Profit After Tax (RM mil)	18,211	9,956	11,272
(13,052)	(1,086)	Identified items* (RM mil)	462	(208)	(2,391)
		Profit After Tax excluding identified			
36,814	46,604	items (RM mil)	17,749	10,164	13,663
70,667	92,003	EBITDA (RM mil)	25,309	21,473	21,925
		Cash flows from operating activities			
53,843	75,661	(RM mil)	17,927	17,883	17,711
50,365	44,499	Capital investments (RM mil)	10,691	12,461	14,427
		Crude oil, condensate and natural gas			
1,794	1,760	entitlement volume ('000 boe per day)	1,813	1,671	1,909

*comprise net impairment on assets

Fourth quarter 2017

- **PETRONAS Group's revenue for the fourth quarter of 2017 increased by 14%** as compared to the corresponding quarter last year mainly due to higher average realised product prices recorded for major products and higher sales volume mainly from LNG and petroleum products partially offset by the effect of strengthening of Ringgit against US Dollar.
- **The Group recorded Profit Before Taxation ("PBT") of RM23.6 billion and Profit After Tax ("PAT") of RM18.2 billion for the fourth quarter of 2017, increased by 51% and 61% respectively**, compared to the corresponding quarter last year, primarily due to higher revenue, lower net impairment on assets and well costs partially offset by higher net foreign exchange losses. **Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") increased by 15%** compared to the corresponding quarter last year in line with higher PBT.
- **Cash flows from operating activities for the fourth quarter of 2017 increased by 1%** as compared to the corresponding quarter last year due to higher average realised prices.
- **Capital investments for the fourth quarter of 2017 totalled RM10.7 billion**, mainly attributable to Refinery and Petrochemical Integrated Development ("RAPID") project in Johor.
- **Crude oil, condensate and natural gas entitlement volume for the fourth quarter of 2017 was 1,813 thousand barrels of oil equivalent ("boe") per day** compared to 1,909 thousand boe per day. The decrease was in line with lower production. Total production volume was 2,389 thousand boe per day compared to 2,444 thousand boe per day in the corresponding quarter last year.

Cumulative quarter ended 31 December 2017

- **PETRONAS Group's revenue for the year ended 31 December 2017 increased by 15%** as compared to the same period in 2016 mainly due to higher average realised prices recorded for major products coupled with the effect of weakening of Ringgit against US Dollar. These were partially offset by lower sales volume for crude oil & condensate and petroleum products.
- **The Group recorded PBT of RM64.6 billion and PAT of RM45.5 billion for the year ended 31 December 2017, both increased by 91%**, compared to the same period in 2016, primarily due to higher revenue, lower net impairment on assets and well costs partially offset by higher tax expenses, net foreign exchange losses, amortisation of Oil and Gas Properties ("OGP"), net product & production costs and petroleum proceeds. **EBITDA for the year ended 31 December 2017 was RM92.0 billion, increased by 30%** as compared to the same period in 2016 in line with higher PBT.
- **Cash flows from operating activities for the year ended 31 December 2017 increased by 41%** as compared to the same period in 2016 due to higher average realised prices.
- **Capital investments for the year ended 31 December 2017 totalled RM44.5 billion, mainly attributable to RAPID project in Johor.**
- **Crude oil, condensate and natural gas entitlement volume for the year ended 31 December 2017 was 1,760 thousand boe per day** compared to 1,794 thousand boe per day in the same period in 2016. The decrease was in line with lower production. Total production volume was 2,320 thousand boe per day compared to 2,363 thousand boe per day in the same period last year.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

The Board of Directors of Petroliaam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the following unaudited condensed consolidated financial statements of PETRONAS Group for the fourth quarter ended 31 December 2017 which should be read in conjunction with the Explanatory Notes on pages 7 to 20.

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

	Individual quarter ended		Cumulative quarter ended	
	2017	31 December 2016 Restated	2017	31 December 2016 Restated
<i>In RM Mil</i>				
Revenue	61,787	54,347	223,622	195,061
Cost of revenue	(37,262)	(33,680)	(140,194)	(137,097)
Gross profit	24,525	20,667	83,428	57,964
Selling and distribution expenses	(1,819)	(1,635)	(6,277)	(5,633)
Administration expenses	(3,313)	(3,648)	(10,823)	(9,979)
Net impairment write-back/(losses) ¹	1,873	(1,689)	557	(10,164)
Other expenses	(714)	(2,433)	(5,350)	(3,913)
Other income	3,967	5,167	6,706	8,064
Operating profit	24,519	16,429	68,241	36,339
Financing costs	(1,061)	(952)	(3,694)	(3,294)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	181	141	105	865
Profit before taxation	23,639	15,618	64,652	33,910
Tax expense	(5,428)	(4,346)	(19,134)	(10,148)
PROFIT FOR THE PERIOD/YEAR	18,211	11,272	45,518	23,762
Other comprehensive (expenses)/income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net movements from exchange differences	(7,371)	10,311	(14,143)	3,213
Available-for-sale financial assets				
- Changes in fair value	(420)	696	(1,285)	2,128
- Transfer to profit or loss	(189)	(29)	(232)	(34)
Others	225	(138)	346	(29)
Total other comprehensive (expenses)/income for the period/year	(7,755)	10,840	(15,314)	5,278
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	10,456	22,112	30,204	29,040
Profit attributable to:				
Shareholders of the Company	16,385	9,436	37,660	17,204
Non-controlling interests	1,826	1,836	7,858	6,558
PROFIT FOR THE PERIOD/YEAR	18,211	11,272	45,518	23,762
Total comprehensive income attributable to:				
Shareholders of the Company	9,457	18,565	24,579	21,359
Non-controlling interests	999	3,547	5,625	7,681
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	10,456	22,112	30,204	29,040

¹ Comprises net impairment write-back/(losses) on property, plant and equipment, receivables, investments in associates and a joint venture and other investments (Note 22).



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2017	As at 31.12.2016 Restated
<i>In RM Mil</i>		
ASSETS		
Property, plant and equipment	327,458	333,977
Investment properties, land held for development and prepaid lease payments	14,458	14,530
Investments in associates and joint ventures	13,092	14,030
Intangible assets	22,079	25,552
Fund and other investments	544	786
Other non-current assets	23,703	23,335
TOTAL NON-CURRENT ASSETS	401,334	412,210
Trade and other inventories	15,379	13,919
Trade and other receivables	44,035	45,990
Fund and other investments	7,754	9,477
Cash and cash equivalents	128,209	121,492
Other current assets	3,139	359
TOTAL CURRENT ASSETS	198,516	191,237
TOTAL ASSETS	599,850	603,447
EQUITY		
Share capital	100	100
Reserves	389,694	380,341
Total equity attributable to shareholders of the Company	389,794	380,441
Non-controlling interests	43,041	43,262
TOTAL EQUITY	432,835	423,703
LIABILITIES		
Borrowings	53,751	57,659
Deferred tax liabilities	8,177	9,635
Other long term liabilities and provisions	37,385	37,918
TOTAL NON-CURRENT LIABILITIES	99,313	105,212
Trade and other payables	53,291	62,445
Borrowings	10,398	9,954
Taxation	4,013	2,133
TOTAL CURRENT LIABILITIES	67,702	74,532
TOTAL LIABILITIES	167,015	179,744
TOTAL EQUITY AND LIABILITIES	599,850	603,447



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>			
	<i>Non-distributable</i>			
<i>In RM Mil</i>	Share Capital	Capital Reserves	Foreign Currency Translation Reserve	Available-for-sale Reserve
Cumulative quarter ended 31 December 2016				
Balance at 1 January 2016				
- As previously reported	100	13,904	41,293	695
- Effect of change in accounting policies	-	-	-	-
At 1 January 2016, restated	100	13,904	41,293	695
Net movements from exchange differences	-	-	2,105	-
Available-for-sale financial assets:				
- Changes in fair value	-	-	-	2,131
- Transfer to profit or loss	-	-	-	(34)
Other comprehensive (expenses)/income	-	(47)	-	-
Total other comprehensive (expenses)/income for the year	-	(47)	2,105	2,097
Profit for the year	-	-	-	-
Total comprehensive (expenses)/income for the year	-	(47)	2,105	2,097
Additional issuance of shares to non-controlling interests	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	(166)	-
Redemption of redeemable preference shares in a subsidiary	-	132	-	-
Dividends	-	-	-	-
Total transactions with shareholders	-	132	(166)	-
Balance at 31 December 2016	100	13,989	43,232	2,792
Cumulative quarter ended 31 December 2017				
Balance at 1 January 2017				
- As previously reported	100	13,989	43,232	2,792
- Effect of change in accounting policies	-	-	-	-
At 1 January 2017, restated	100	13,989	43,232	2,792
Net movements from exchange differences	-	-	(11,898)	-
Available-for-sale financial assets:				
- Changes in fair value	-	-	-	(1,285)
- Transfer to profit or loss	-	-	-	(232)
Other comprehensive income	-	334	-	-
Total other comprehensive income/(expenses) for the year	-	334	(11,898)	(1,517)
Profit for the year	-	-	-	-
Total comprehensive income/(expenses) for the year	-	334	(11,898)	(1,517)
Additional issuance of shares to non-controlling interests	-	-	-	-
Changes in ownership interest in subsidiaries	-	(13)	(67)	-
Redemption of redeemable preference shares in subsidiaries	-	115	-	-
Dividends	-	-	-	-
Total transactions with shareholders	-	102	(67)	-
Balance at 31 December 2017	100	14,425	31,267	1,275

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company			Non- controlling Interests	Total Equity
	Distributable				
<i>In RM Mil</i>	General Reserve	Retained Profits	Total		
Cumulative quarter ended 31 December 2016					
Balance at 1 January 2016					
- As previously reported	12,000	306,884	374,876	40,776	415,652
- Effect of change in accounting policies	-	(99)	(99)	-	(99)
At 1 January 2016, restated	12,000	306,785	374,777	40,776	415,553
Net movements from exchange differences	-	-	2,105	1,108	3,213
Available-for-sale financial assets:					
- Changes in fair value	-	-	2,131	(3)	2,128
- Transfer to profit or loss	-	-	(34)	-	(34)
Other comprehensive (expenses)/income	-	-	(47)	18	(29)
Total other comprehensive (expenses)/income for the year	-	-	4,155	1,123	5,278
Profit for the year	-	17,204	17,204	6,558	23,762
Total comprehensive (expenses)/income for the year	-	17,204	21,359	7,681	29,040
Additional issuance of shares to non-controlling interests	-	-	-	30	30
Changes in ownership interest in subsidiaries	-	471	305	642	947
Redemption of redeemable preference shares in a subsidiary	-	(132)	-	(11)	(11)
Dividends	-	(16,000)	(16,000)	(5,856)	(21,856)
Total transactions with shareholders	-	(15,661)	(15,695)	(5,195)	(20,890)
Balance at 31 December 2016	12,000	308,328	380,441	43,262	423,703
Cumulative quarter ended 31 December 2017					
Balance at 1 January 2017					
- As previously reported	12,000	308,173	380,286	43,262	423,548
- Effect of change in accounting policies	-	155	155	-	155
At 1 January 2017, restated	12,000	308,328	380,441	43,262	423,703
Net movements from exchange differences	-	-	(11,898)	(2,245)	(14,143)
Available-for-sale financial assets:					
- Changes in fair value	-	-	(1,285)	-	(1,285)
- Transfer to profit or loss	-	-	(232)	-	(232)
Other comprehensive income	-	-	334	12	346
Total other comprehensive income/(expenses) for the year	-	-	(13,081)	(2,233)	(15,314)
Profit for the year	-	37,660	37,660	7,858	45,518
Total comprehensive income/(expenses) for the year	-	37,660	24,579	5,625	30,204
Additional issuance of shares to non-controlling interests	-	-	-	56	56
Changes in ownership interest in subsidiaries	-	854	774	868	1,642
Redemption of redeemable preference shares in subsidiaries	-	(115)	-	-	-
Dividends	-	(16,000)	(16,000)	(6,770)	(22,770)
Total transactions with shareholders	-	(15,261)	(15,226)	(5,846)	(21,072)
Balance at 31 December 2017	12,000	330,727	389,794	43,041	432,835

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	2017	Cumulative quarter ended 31 December 2016 Restated
Cash flows from operating activities		
Profit before taxation	64,652	33,910
Adjustments for:		
Depreciation and amortisation	30,525	25,309
Net impairment (write-back)/loss on property, plant and equipment	(347)	8,775
Net impairment loss on intangible assets	1,745	2,692
Net impairment/write-off on well costs	703	6,129
Net impairment loss on loan and advances to an associate	88	79
Net impairment loss on receivables	295	1,731
Net impairment write-back on investment in associates and a joint venture	(601)	(411)
Net impairment loss/(write-back) on other investments	8	(10)
Net inventories written down to net realisable value	135	22
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	(105)	(865)
Property, plant and equipment written off	375	1,361
Gain on disposal of investments in subsidiaries, associates, joint ventures, other investments and property, plant and equipment	(850)	(183)
Loss on disposal of other investment and property, plant and equipment	33	945
Bad debts written off	26	304
Net gain on derivatives	(64)	(874)
Unrealised gain on foreign exchange	(834)	(2,487)
Gain on bargain purchase	-	(33)
Interest income	(4,389)	(4,342)
Interest expense	3,694	3,294
Operating profit before changes in working capital	95,089	75,346
Net change in working capital	(2,695)	(8,042)
Cash generated from operations	92,394	67,304
Interest income from fund and other investments	3,095	3,636
Interest expenses paid	(2,901)	(2,505)
Taxation paid	(16,927)	(14,592)
Net cash generated from operating activities	75,661	53,843

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	2017	Cumulative quarter ended 31 December 2016 Restated
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	(201)
Investments in associates and joint ventures	(503)	(952)
Investments in securities and other investments	(2,512)	(778)
Proceeds from disposal/partial disposal of:		
- investments in subsidiaries, net of cash disposed	561	363
- investments in associates and a joint venture	203	4
- property, plant and equipment, investment properties, prepaid lease payments, intangible assets, land held for development and assets classified as held for sale	350	1,149
- securities and other investments	2,767	8,659
Proceeds from capital reduction in an associate and joint ventures	12	171
Purchase of property, plant and equipment, investment properties, prepaid lease payments, intangible assets and land held for development	(44,499)	(50,365)
Proceeds from government grant	204	-
Dividends received	1,238	1,107
Others	(384)	(37)
Net cash used in investing activities	(42,563)	(40,880)
Cash flows from financing activities		
Repayment of borrowings	(4,970)	(6,212)
Drawdown of borrowings	7,016	12,780
Dividends paid	(16,000)	(16,000)
Dividends paid to non-controlling interests	(6,770)	(5,856)
Proceeds from shares issued to non-controlling interests	56	30
Payment to non-controlling interests on redemption of redeemable preference shares	-	(11)
Proceeds from partial disposal of equity interest to non-controlling interests	1,420	879
Net cash used in financing activities	(19,248)	(14,390)
Net increase/(decrease) in cash and cash equivalents	13,850	(1,427)
(Increase)/decrease in deposits restricted	(74)	12
Net foreign exchange differences	(7,003)	2,185
Cash and cash equivalents at beginning of the year	120,791	120,021
Cash and cash equivalents at end of the year	127,564	120,791
Cash and cash equivalents		
Cash and bank balances and deposits	128,209	121,492
Bank overdrafts	(21)	(151)
Less: Deposits restricted	(624)	(550)
	127,564	120,791

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The results for this interim period 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 2017.

The explanatory notes attached to these unaudited condensed consolidated 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 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 2017 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2016 other than that disclosed in the first quarter report relating to adoption of Amendments to MFRSs effective for annual periods beginning on or after 1 January 2017 and the changes below.

During the year, the Group has changed its accounting policies with respect to revenue reporting and inventory valuation for gas trading activities. Where forward and future sale and purchase contracts for gas have been determined to be for trading purposes, the associated sales and purchases are reported net within sales. Consequently, the associated inventories are stated at fair value less costs to sell and any changes in fair value are recognised in the profit or loss. The changes will provide more relevant information about the effects of transactions to the Group's financial position and financial performance. The change in accounting policies have been made retrospectively and in accordance with MFRS 108 *Accounting Policies, Changes in Estimates and Errors*.

The change in accounting policies above did not have a significant impact on the Group's profit or loss and net assets of the previous years. The impact on comparative information are disclosed in Appendix 1.

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 2016.

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

5. EXCEPTIONAL ITEMS

There was no exceptional item during the quarter under review.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

6. DIVIDENDS

During the financial year, the amount of dividends paid by the Company were as follows:

- (i) a final tax exempt dividend of RM130,000 per ordinary share amounting to RM13 billion declared on 27 February 2017 and paid in instalments between April to September 2017 in respect of the financial year ended 31 December 2016 as reported in the Directors' Report of that year; and
- (ii) an interim dividend of RM30,000 per ordinary share amounting to RM3 billion declared on 22 August 2017 and paid in instalments between September to November 2017 in respect of the financial year ended 31 December 2017.

The Directors propose a tax exempt final dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM160,000 per ordinary share amounting to RM16 billion in respect of the financial year ended 31 December 2017 for shareholder's approval at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed final dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of retained profits during the financial year ending 31 December 2018.

Subsequent to the end of the current financial year, the Company declared a tax exempt interim dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM30,000 per ordinary share amounting to RM3 billion in respect of the financial year ending 31 December 2018. The dividend will be paid and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2018.

7. SIGNIFICANT EVENT

Pacific NorthWest LNG ("PNWLNG") negative Final Investment Decision ("FID")

During the year, the partners of the PNWLNG Project had voted for negative FID and also resolved for the winding-down of business activities of PNWLNG. Following the negative FID, the Group through its subsidiary, Progress Energy Canada Ltd. ("PECL"), has written off its assets relating to cost incurred for access rights to Lelu Island amounting to CAD9 million (equivalent to RM30 million) and the Prince Rupert Gas Transmission ("PRGT") contract had been terminated. On October 2017, PECL had settled the said termination amounted to approximately CAD604 million (equivalent to RM2,001 million) to TransCanada Corporation, consisting of PECL's share of CAD374 million (equivalent of RM1,241 million) and the North Montney Joint Venture partners' share of CAD229 million (equivalent of RM760 million). The expense has been recognised in the profit or loss accordingly.

8. CHANGES IN COMPOSITION OF THE GROUP

There was no material change in the composition of the Group.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

9. FAIR VALUE INFORMATION

The following table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

There were no transfers between Level 1 and Level 2 fair value measurements during the current financial year and comparative year.

31 December 2017

In RM Mil

	Level 1	Level 2	Total
Financial assets			
Quoted shares	3,754	41	3,795
Quoted securities	981	162	1,143
Malaysian Government Securities	-	42	42
Corporate Private Debt Securities	-	2,875	2,875
Forward foreign exchange contracts	-	219	219
Forward gas contracts	166	-	166
Forward oil price contracts	64	-	64
Interest rate swaps	-	30	30
	4,965	3,369	8,334
Financial liabilities			
Commodity swaps	-	(51)	(51)
Forward foreign exchange contracts	-	(117)	(117)
Forward gas contracts	(221)	-	(221)
Forward oil/gas price swaps	(95)	-	(95)
	(316)	(168)	(484)

31 December 2016

In RM Mil

	Level 1	Level 2	Total
Financial assets			
Quoted shares	5,660	36	5,696
Quoted securities	38	283	321
Malaysian Government Securities	-	47	47
Corporate Private Debt Securities	-	3,514	3,514
Commodity swaps	-	4	4
Forward foreign exchange contracts	-	17	17
Forward gas contracts	285	-	285
	5,983	3,901	9,884
Financial liabilities			
Commodity swaps	-	(113)	(113)
Forward foreign exchange contracts	-	(162)	(162)
Forward gas contracts	(389)	-	(389)
Forward oil/gas price swaps	(147)	-	(147)
Interest rate swaps	-	(1)	(1)
	(536)	(276)	(812)



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

10. OPERATING SEGMENTS

The Group has two reportable operating segments comprising Upstream and Downstream.

Performance is measured based on segment Profit After Tax ("PAT"), as included in the internal management reports. Segment PAT is used to measure performance as the Group chief operating decision maker, which in this case is the PETRONAS Executive Leadership Team, believes that such information is the most relevant in evaluating the results of the segments.

10.1 Revenue

	2017		2016		Individual quarter ended 31 December	
	2017	2016 Restated	2017	2016	2017	2016 Restated
<i>In RM Mil</i>	Third Parties		Inter-segment		Gross Total	
Upstream	26,870	24,915	10,013	7,370	36,883	32,285
Downstream	30,891	25,729	1,304	1,114	32,195	26,843
Corporate and Others	4,026	3,703	1,147	1,289	5,173	4,992
Total	61,787	54,347	12,464	9,773	74,251	64,120

	2017		2016		Cumulative quarter ended 31 December	
	2017	2016 Restated	2017	2016	2017	2016 Restated
<i>In RM Mil</i>	Third Parties		Inter-segment		Gross Total	
Upstream	99,904	89,154	35,180	23,987	135,084	113,141
Downstream	108,984	90,821	4,744	4,416	113,728	95,237
Corporate and Others	14,734	15,086	4,318	4,420	19,052	19,506
Total	223,622	195,061	44,242	32,823	267,864	227,884

10.2 Segment PAT

	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2017	2016 Restated	2017	2016 Restated
<i>In RM Mil</i>				
Upstream	16,037	2,252	33,074	3,505
Downstream	2,770	2,865	11,340	8,292
Corporate and Others	1,326	4,839	1,089	6,549
Total PAT for reportable segments	20,133	9,956	45,503	18,346
Elimination of inter-segment transactions	(1,922)	1,316	15	5,416
Consolidated PAT	18,211	11,272	45,518	23,762



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES

11. REVIEW OF GROUP PERFORMANCE

Cumulative quarter ended		In RM Mil	31.12.2017	Individual quarter ended	
31.12.2016	31.12.2017			30.9.2017	31.12.2016
Restated				Restated	
195,061	223,622	Revenue	61,787	53,684	54,347
23,762	45,518	Profit for the period/year	18,211	9,956	11,272
70,667	92,003	EBITDA ²	25,309	21,473	21,925
<i>In RM Mil</i>				As at	As at
				31.12.2017	31.12.2016
				Restated	Restated
Total assets				599,850	603,447
Shareholders' equity				389,794	380,441
Gearing ratio ³				16.1%	17.4%
ROACE ⁴				9.8%	5.4%

Fourth quarter PETRONAS Group recorded revenue of RM61.8 billion, increased by 14% as compared to RM54.3 billion in the corresponding quarter last year. Similarly, profit for the quarter increased to RM18.2 billion from RM11.3 billion recorded in the corresponding quarter last year.

The increase in revenue was mainly driven by higher average realised product prices recorded for major products and higher sales volume for LNG and petroleum products partially offset by the effect of strengthening of Ringgit against US Dollar.

The Group recorded profit of RM18.2 billion, increased by 61% as compared to the corresponding quarter last year primarily due to higher revenue, lower net impairment on assets and well costs partially offset by higher net foreign exchange losses. EBITDA for the quarter was RM25.3 billion, increased by 15% as compared to the corresponding quarter last year in line with higher PBT.

Cumulative quarter PETRONAS Group recorded a 15% increase in revenue for the year ended 31 December 2017 at RM223.6 billion compared to RM195.1 billion in 2016 mainly due to higher average realised product prices recorded for major products coupled with the effect of weakening of Ringgit against US Dollar. These were partially offset by lower sales volume for crude oil & condensate and petroleum products.

The Group generated profit of RM45.5 billion for the year ended 31 December 2017. Profit was higher by RM21.7 billion or 91% as compared to 2016 of RM23.8 billion mainly due to higher revenue, lower net impairment on assets and well costs. These were partially offset by higher tax expenses, net foreign exchange losses, amortisation of OGP following the changes in estimates of the Group's oil and gas reserves base for the purpose of amortisation computation from proved and probable (2P) equity reserves to proved (1P) entitlement reserves effective 1 January 2017, net product & production costs and petroleum proceeds. EBITDA for the period was RM92.0 billion, increased by 30% as compared to the same period in 2016 in line with higher PBT.

Total assets decreased to RM599.8 billion as at 31 December 2017 as compared to RM603.4 billion as at 31 December 2016 primarily due to the impact of strengthening of Ringgit against US Dollar exchange rate. Shareholders' equity of RM389.8 billion as at 31 December 2017 increased by RM9.4 billion compared to 31 December 2016 mainly due to profit generated during the year partially offset by final dividend of RM13.0 billion declared for financial year ended 31 December 2016 and interim dividend of RM3.0 billion for financial year ended 31 December 2017 as well as effect of strengthening of Ringgit against US Dollar exchange rate.

Gearing ratio decreased to 16.1% as at 31 December 2017 compared to 17.4% as at 31 December 2016. ROACE increased to 9.8% as at 31 December 2017 compared to 5.4% as at 31 December 2016 in line with higher profit recorded.

² EBITDA consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation and net impairment loss on property, plant and equipment and intangible assets, and financing costs, and the exclusion of interest income.

³ Gearing ratio is calculated as adjusted total debt (total debt including provision for decommissioning of assets) divided by total equity and adjusted total debt.

⁴ Return on average capital employed (ROACE) is calculated as the profit before interest expense after tax divided by average total equity and long term debt during the year.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

12. REVIEW OF PERFORMANCE – UPSTREAM

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31.12.2016	31.12.2017		31.12.2017	30.9.2017	31.12.2016
Restated		<i>In RM Mil</i>			Restated
		Revenue			
89,154	99,904	Third party	26,870	23,433	24,915
23,987	35,180	Inter-segment	10,013	7,769	7,370
113,141	135,084		36,883	31,202	32,285
3,505	33,074	PAT	16,037	5,949	2,252
Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31.12.2016	31.12.2017		31.12.2017	30.9.2017	31.12.2016
		Production ⁵ ('000 boe ⁶ per day)			
939	875	Crude oil and condensate	879	849	944
1,424	1,445	Natural gas	1,510	1,357	1,500
2,363	2,320		2,389	2,206	2,444
		Oil and gas entitlement ⁷ ('000 boe per day)			
668	593	Crude oil and condensate	606	568	632
1,126	1,167	Natural gas	1,207	1,103	1,277
1,794	1,760		1,813	1,671	1,909
		Malaysia average sales gas volume (mmscfd) ⁸	2,546	2,731	2,810
2,772	2,691	LNG sales volume (million tonnes)	8.81	7.22	8.62
30.11	30.72				

Fourth quarter Revenue for the fourth quarter of 2017 was RM36.9 billion compared to RM32.3 billion in the corresponding quarter last year. Higher revenue was mainly contributed by higher realised prices, as well as higher sales volume for LNG. The increase was partially offset by the effect of strengthening of Ringgit against US Dollar. PAT increased to RM16.0 billion compared to RM2.3 billion in the corresponding quarter last year, mainly due to higher revenue as explained above coupled with net impairment write-back on assets for the quarter.

Total production volume for the quarter was 2,389 thousand boe per day compared to 2,444 thousand boe per day in the corresponding quarter last year mainly due to relinquishment and expiry of blocks in Vietnam, coupled with lower liquid production in Malaysia arising from conformance efforts to the Joint Declaration of Cooperation between OPEC and non-OPEC countries.

Total LNG sales volume for the quarter was higher by 0.19 million tonnes as compared to the corresponding quarter in 2016 mainly attributable to full period of operation for Gladstone LNG ("GLNG") Train 2.

Malaysia average sales gas volume was lower by 264 mmscfd compared to the corresponding quarter in 2016 mainly due to lower demand in Peninsular Malaysia.

⁵ Represents Malaysia's production (PETRONAS Group and other Petroleum Arrangement Contractors (PACS)) and PETRONAS Group's international equity production.

⁶ boe: barrels of oil equivalent

⁷ Represents PETRONAS Group's entitlement to Malaysia's production and International's production.

⁸ mmscfd: million standard cubic feet per day



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

12. REVIEW OF PERFORMANCE – UPSTREAM (continued)

Cumulative quarter Revenue for the year was RM135.1 billion compared to RM113.1 billion last year mainly due to higher realised prices, effect of weakening of Ringgit against US Dollar and higher LNG sales volume. PAT was higher by RM29.6 billion compared to 2016 mainly due to higher revenue as explained above coupled with lower net impairment on assets, partially offset by higher amortisation of oil and gas properties following the changes in estimates of the Group's oil and gas reserves base for the purpose of amortisation computation from proved and probable (2P) equity reserves to proved (1P) entitlement reserves effective 1 January 2017. PAT was also unfavourably impacted by the non-FID of Pacific NorthWest LNG project in Canada.

Total production volume for the year was 2,320 thousand boe per day compared to 2,363 thousand boe per day in 2016 mainly due to lower Iraq production entitlement, lower activities in Canada, higher decline rate in Egypt and JDA, coupled with lower liquid production in Malaysia arising from conformance efforts to the Joint Declaration of Cooperation between OPEC and non-OPEC countries, partially offset by higher gas production in Sabah and Sarawak.

Total LNG sales volume for the year was higher by 0.61 million tonnes as compared to 2016 mainly attributable to the full period of operations for GLNG Train 2 and Train 9 in Bintulu, coupled with higher volume from Egyptian LNG ("ELNG") and new volume from PETRONAS Floating LNG 1 ("PFLNG1"), partially offset by lower volume from trading activities.

Malaysia average sales gas volume was lower by 81 mmscfd compared to 2016 mainly due to lower demand in Peninsular Malaysia, partially offset by higher demand in Sabah.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

13. REVIEW OF PERFORMANCE – DOWNSTREAM

Cumulative quarter ended		Financial Indicators <i>In RM Mil</i>	31.12.2017	Individual quarter ended	
31.12.2016	31.12.2017			30.9.2017	31.12.2016
90,821	108,984	Revenue			
4,416	4,744	Third party	30,891	26,921	25,729
95,237	113,728	Inter-segment	1,304	1,190	1,114
8,292	11,340	PAT	32,195	28,111	26,843
			2,770	3,460	2,865
Cumulative quarter ended		Operational Indicators	31.12.2017	Individual quarter ended	
31.12.2016	31.12.2017			30.9.2017	31.12.2016
268.1	253.3	Petroleum products sales volume (in million barrels)	66.4	65.7	64.8
189.3	144.7	Crude oil sales volume (in million barrels)	40.6	37.8	43.2
7.3	8.1	Petrochemicals sales volume (in million metric tonnes)	2.1	2.0	1.8

Fourth quarter Revenue for the fourth quarter of 2017 was RM32.2 billion, an increase of RM5.4 billion compared to the corresponding quarter last year mainly driven by higher prices for crude oil, petroleum and petrochemical products.

Petroleum products sales volume was 66.4 million barrels, slightly higher than corresponding quarter last year by almost 1.6 million barrels contributed by higher sales from domestic and international marketing activities.

Crude oil sales volume was 40.6 million barrels, lower than corresponding quarter last year by 2.6 million barrels mainly due to lower marketing volume as a result of reduction in entitlement from international upstream activities.

Downstream PAT stood at RM2.8 billion slightly lower than corresponding quarter last year.

Cumulative quarter Revenue for the year ended 31 December 2017 was RM113.7 billion, RM18.5 billion higher than last year driven by higher prices for crude oil, petroleum and petrochemical products.

Petroleum products and crude oil sales volume were 253.3 million barrels and 144.7 million barrels respectively, lower than 2016 by 14.8 million barrels and 44.6 million barrels due to reduction in both marketing and trading activities.

Petrochemical products sales volume was higher by 0.8 million metric tonnes compared to 2016 mainly contributed by additional capacity from the commissioning of PETRONAS Chemical Fertiliser Sabah Sdn. Bhd. ("PCFSSB").

Downstream cumulative PAT stood at RM11.3 billion, RM3.0 billion higher than 2016 following better petrochemical product spreads and international refining margin as well as higher trading and marketing margins.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

14. REVIEW OF PERFORMANCE – CORPORATE AND OTHERS

Cumulative quarter ended		<i>Financial Indicators</i> <i>In RM Mil</i>	31.12.2017	Individual quarter ended	
31.12.2016	31.12.2017			30.9.2017	31.12.2016
		Revenue			
15,086	14,734	Third party	4,026	3,330	3,703
4,420	4,318	Inter-segment	1,147	1,055	1,289
<u>19,506</u>	<u>19,052</u>		<u>5,173</u>	<u>4,385</u>	<u>4,992</u>
6,549	1,089	PAT/(LAT) ⁹	1,326	(14)	4,839

Fourth quarter Revenue for the fourth quarter of 2017 was RM5.2 billion, increased by RM0.2 billion or 4% as compared to the corresponding quarter last year mainly due to higher shipping income. The segment recorded PAT of RM1.3 billion in the current quarter as compared to RM4.8 billion in the corresponding quarter last year mainly due to lower net foreign exchange gain.

Cumulative quarter Revenue for the year ended 31 December 2017 was RM19.0 billion, decreased by RM0.5 billion as compared to the same period in 2016 mainly due to lower income from sale of oil and gas equipment. PAT decreased by RM5.4 billion to RM1.1 billion mainly due to higher net foreign exchange losses.

15. COMPARISON WITH PRECEDING QUARTER'S RESULT

<i>In RM Mil</i>	Individual quarter ended	
	31.12.2017	30.9.2017
Revenue	61,787	53,684
Profit for the period	18,211	9,956
EBITDA	25,309	21,473

PETRONAS Group's revenue of RM61.8 billion for the fourth quarter of 2017 was higher by RM8.1 billion or 15% as compared to the preceding quarter mainly due to higher average realised product prices recorded for major products and higher sales volume for LNG, crude oil & condensate and natural gas partially offset by the effect of strengthening of Ringgit against US Dollar.

Profit for the fourth quarter of 2017 increased by RM8.2 billion as compared to the preceding quarter primarily due to higher revenue, lower net impairment on assets and well costs partially offset by higher product costs, petroleum proceeds and tax expenses. EBITDA for the fourth quarter of 2017 was RM25.3 billion, increased by 18% as compared to the preceding quarter.

16. NEXT FINANCIAL YEAR OUTLOOK

Continued drive for higher productivity and operational excellence have placed PETRONAS in a stronger position to execute its long term growth strategy. Subject to sustainability of price recovery, the Board expects the Group to deliver satisfactory performance in the next financial year.

⁹ LAT: Loss After Tax



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

17. TAXATION

<i>In RM Mil</i>	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2017	2016	2017	2016
Current tax expenses				
Malaysia	6,403	4,557	18,483	11,831
Overseas	680	1,081	1,596	1,598
Deferred tax expenses				
Origination and reversal of temporary differences	(1,655)	(1,292)	(945)	(3,281)
	<u>5,428</u>	<u>4,346</u>	<u>19,134</u>	<u>10,148</u>

The Group's effective tax rate for the current quarter and for the year was 23.0% and 29.6% respectively.

18. CASH, FUND AND OTHER INVESTMENTS

<i>In %</i>	As at 31.12.2017	As at 31.12.2016
By Currency		
RM	69.5	56.3
USD	27.9	39.0
Others	2.6	4.7
	<u>100.0</u>	<u>100.0</u>
By Maturity¹⁰		
< 1 year	96.6	96.1
1 to 5 years	2.1	2.2
5 to 10 years	1.3	1.7
	<u>100.0</u>	<u>100.0</u>
By Type		
Money market	93.9	92.2
Corporate bonds	2.9	3.0
Equities	3.2	4.8
	<u>100.0</u>	<u>100.0</u>

There was no material purchase and sale of quoted securities for the current quarter.

¹⁰ Refers to instrument maturity dates; excludes equities.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

19. BORROWINGS

The details of the Group borrowings as at 31 December 2017 are as follows:

<i>In RM Mil</i>	As at 31.12.2017	As at 31.12.2016
Non-Current		
Secured		
Term loans	3,199	2,551
Islamic financing facilities	1,444	688
Total non-current secured borrowings	4,643	3,239
Unsecured		
Term loans	6,585	7,452
Notes and Bonds	33,297	36,755
Islamic financing facilities	9,226	10,213
Total non-current unsecured borrowings	49,108	54,420
Total non-current borrowings	53,751	57,659
Current		
Secured		
Term loans	1,057	263
Islamic financing facilities	696	308
Total current secured borrowings	1,753	571
Unsecured		
Term loans	6,141	5,440
Islamic financing facilities	354	447
Revolving credits	2,129	3,345
Bank overdrafts	21	151
Total current unsecured borrowings	8,645	9,383
Total current borrowings	10,398	9,954
Total borrowings	64,149	67,613



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

19. BORROWINGS (continued)

<i>In RM Mil</i>	As at 31.12.2017		As at 31.12.2016	
		%		%
By Currency				
USD	53,411	83.2	56,901	84.2
RM	7,178	11.2	6,943	10.3
EUR	2,123	3.3	2,080	3.1
GBP	1,143	1.8	1,220	1.8
Others	294	0.5	469	0.6
	64,149	100.0	67,613	100.0
By Repayment Schedule				
< 1 year	10,398	16.2	9,954	14.7
1 to 5 years	34,743	54.2	29,824	44.1
5 to 10 years	10,804	16.8	18,429	27.3
> 10 years	8,204	12.8	9,406	13.9
	64,149	100.0	67,613	100.0

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instrument for the quarter ended 31 December 2017.

21. MATERIAL LITIGATION

The legal suit brought against the Company by the Kelantan State Government in 2010 in respect of payment of petroleum proceeds under the terms of the agreement dated 9 May 1975 entered into between the Kelantan State Government and PETRONAS is still on-going as at the reporting date. PETRONAS has been advised by its solicitors that PETRONAS has a meritorious defence to the claim.



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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

22. PROFIT FOR THE PERIOD/YEAR

<i>In RM Mil</i>	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2017	2016	2017	2016
Included in profit for the period/year are the following charges:				
Bad debt written off	26	304	26	304
Depreciation and amortisation	6,193	6,990	30,525	25,309
Loss on disposal of:				
- intangible assets	-	10	-	457
- subsidiaries	-	-	-	417
- associates and joint ventures	7	19	-	24
- property, plant and equipment	4	47	28	47
- other investments	16	-	5	-
Net impairment losses on:				
- receivables	772	1,802	295	1,731
- loan and advances to an associate	88	79	88	79
- intangible assets	1,519	38	1,745	2,692
- property, plant and equipment	-	-	-	8,775
- investments in associates and joint ventures	-	8	-	-
- other investments	8	-	8	-
Net impairment/write-off on well costs ¹¹	119	622	703	6,129
Net loss on foreign exchange	294	-	4,020	-
Property, plant and equipment written off	73	545	375	1,361
and credits:				
Dividend income	79	12	232	173
Gain on bargain purchase	-	33	-	33
Gain on disposal/partial disposal of:				
- property, plant and equipment	4	32	96	34
- other investments	205	30	251	32
- associates and joint ventures	-	-	63	10
- subsidiaries	8	73	440	107
Interest income	1,258	902	4,389	4,342
Net gain on derivatives	49	763	64	874
Net gain on foreign exchange	-	3,155	-	3,682
Net write-back of impairment losses on:				
- investments in associates and joint ventures	601	-	601	411
- property, plant and equipment	2,140	200	347	-
- other investments	-	-	-	10

¹¹ Comprises impairment and write-off of exploration expenditure under intangible assets.



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

PART B – OTHER EXPLANATORY NOTES (continued)

23. DIVIDENDS

As disclosed in Note 6.

24. EXCHANGE RATES

US dollar/RM	Individual quarter ended			Cumulative quarter ended		
	<u>31.12.2017</u>	<u>30.9.2017</u>	<u>31.12.2016</u>	<u>31.12.2017</u>	<u>30.9.2017</u>	<u>31.12.2016</u>
Average rate	4.1590	4.2616	4.3214	4.3002	4.3472	4.1459
Closing rate	4.0595	4.2265	4.4845	4.0595	4.2265	4.4845

By order of the Board

Halimatun Sa'adiah Abd Halim (LS0008494)

Company Secretary

Kuala Lumpur

27 February 2018



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

APPENDIX 1 – IMPACT OF CHANGE IN ACCOUNTING POLICIES

- a) Reconciliation of consolidated statement of profit or loss and other comprehensive income for individual quarter ended 31 December 2016

	As previously reported	Effect of change in accounting policies	As restated
<i>In RM Mil</i>			
Revenue	58,601	(4,254)	54,347
Cost of revenue	(37,951)	4,271	(33,680)
Gross profit	20,650	17	20,667
Operating profit	16,412	17	16,429
Profit before taxation	15,601	17	15,618
PROFIT FOR THE PERIOD	11,255	17	11,272

- b) Reconciliation of consolidated statement of profit or loss and other comprehensive income for cumulative quarter ended 31 December 2016

	As previously reported	Effect of change in accounting policies	As restated
<i>In RM Mil</i>			
Revenue	204,908	(9,847)	195,061
Cost of revenue	(147,198)	10,101	(137,097)
Gross profit	57,710	254	57,964
Operating profit	36,085	254	36,339
Profit before taxation	33,656	254	33,910
PROFIT FOR THE YEAR	23,508	254	23,762



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

APPENDIX 1 – IMPACT OF CHANGE IN ACCOUNTING POLICIES (continued)

c) Reconciliation of consolidated statement of financial position as at 31 December 2016

	As previously reported	Effect of change in accounting policies	As restated
<i>In RM Mil</i>			
ASSETS			
TOTAL NON-CURRENT ASSETS	412,210	-	412,210
Trade & Other Inventories	13,764	155	13,919
Other Current Assets	177,318	-	177,318
TOTAL CURRENT ASSETS	191,082	155	191,237
TOTAL ASSETS	603,292	155	603,447
EQUITY			
Share Capital	100	-	100
Retained Earnings	308,173	155	308,328
Other Reserves	115,275	-	115,275
TOTAL EQUITY	423,548	155	423,703
TOTAL LIABILITIES	179,744	-	179,744
TOTAL EQUITY AND LIABILITIES	603,292	155	603,447



FINANCIAL REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

APPENDIX 1 – IMPACT OF CHANGE IN ACCOUNTING POLICIES (continued)

d) Reconciliation of consolidated statement of cash flows as at 31 December 2016

	As previously reported	Effect of change in accounting policies	As restated
<i>In RM Mil</i>			
Cash flows from operating activities			
Profit before taxation	33,656	254	33,910
Adjustments for non-cash items	41,436	-	41,436
Operating profit before changes in working capital	75,092	254	75,346
Change in trade inventories	(926)	(254)	(1,180)
Other changes in working capital	(6,862)	-	(6,862)
Cash generated from operations	67,304	-	67,304
Net cash generated from operating activities	53,843	-	53,843
Cash flows from investing activities			
Net cash used in investing activities	(40,880)	-	(40,880)
Cash flows from financing activities			
Net cash used in financing activities	(14,390)	-	(14,390)
Net decrease in cash and cash equivalents	(1,427)	-	(1,427)
Decrease in deposit restricted	12	-	12
Net foreign exchange differences	2,185	-	2,185
Cash and cash equivalents at beginning of the year	120,021	-	120,021
Cash and cash equivalents at end of the year	120,791	-	120,791