

Condensed Consolidated Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
for the period ended 31 March 2010

	<u>3 months</u> <u>quarter ended</u> <u>31.03.10</u> RM'000 (Unaudited)	<u>3 months</u> <u>quarter ended</u> <u>31.03.09</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>3 months ended</u> <u>31.03.10</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>3 months ended</u> <u>31.03.09</u> RM'000 (Unaudited)
Revenue	2,067,624	1,910,241	2,067,624	1,910,241
Cost of sales	(1,330,589)	(1,216,714)	(1,330,589)	(1,216,714)
Gross profit	<u>737,035</u>	<u>693,527</u>	<u>737,035</u>	<u>693,527</u>
Other Operating Income				
Items relating to investments	45,919	263	45,919	263
Others	51,585	45,859	51,585	45,859
Distribution costs	(132)	(1)	(132)	(1)
Administrative expenses	(192,560)	(149,030)	(192,560)	(149,030)
Other operating expenses	(56,269)	(52,011)	(56,269)	(52,011)
Finance cost	(346,802)	(344,506)	(346,802)	(344,506)
Share of results of associated companies and jointly controlled entities	<u>(28,358)</u>	<u>(34,626)</u>	<u>(28,358)</u>	<u>(34,626)</u>
Profit before taxation	210,418	159,475	210,418	159,475
Tax expenses	(82,790)	(45,881)	(82,790)	(45,881)
Profit for the period	<u>127,628</u>	<u>113,594</u>	<u>127,628</u>	<u>113,594</u>
Other comprehensive income				
Available-for-sale financial assets				
- fair value gains	14,392	(64,199)	14,392	(64,199)
Currency translation differences	(16,502)	(377)	(16,502)	(377)
Other comprehensive income for the period	<u>(2,110)</u>	<u>(64,576)</u>	<u>(2,110)</u>	<u>(64,576)</u>
Total comprehensive income for the period	<u>125,518</u>	<u>49,018</u>	<u>125,518</u>	<u>49,018</u>
Profit attributable to:				
Owners of the Company	34,391	31,284	34,391	31,284
Minority interests	93,237	82,310	93,237	82,310
	<u>127,628</u>	<u>113,594</u>	<u>127,628</u>	<u>113,594</u>
Total comprehensive income attributable to:				
Owners of the Company	32,279	(46,448)	32,279	(46,448)
Minority interests	93,239	95,466	93,239	95,466
	<u>125,518</u>	<u>49,018</u>	<u>125,518</u>	<u>49,018</u>
Earnings per share for profit attributable to the owners of the Company				
Basic (sen)	1.1	1.0	1.1	1.0
Diluted (sen)	1.1	1.0	1.1	1.0

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

**Condensed Consolidated Statement of Financial Position
As at 31 March 2010**

	As at 31.03.10 RM' 000 (Unaudited)	As at 31.12.09 RM' 000 (Audited)
Non-Current Assets		
Property, plant and equipment	16,165,280	16,223,530
Investment properties	31,193	31,319
Prepaid lease payments	1,129,719	1,133,628
Investments in associates	1,495,131	1,615,285
Investment in jointly controlled entities	180,697	265,911
Available-for-sale financial assets	8,070	-
Property development expenditure	2,053,644	2,052,166
Other assets	4,928	6,792
Intangible assets	7,970,303	8,070,414
Deferred expenditure	17,433	17,533
Deferred income tax assets	541,099	542,011
	<u>29,597,497</u>	<u>29,958,589</u>
Current Assets		
Inventories	682,448	638,416
Assets held for sale	541	541
Trade and other receivables	2,034,208	1,813,263
Current income tax recoverable	214,811	206,914
Amount due from holding company	7,518	7,518
Available-for-sale financial assets	341,879	-
Marketable securities	-	61,237
Deposits, bank and cash balances	4,561,678	4,492,832
	<u>7,843,083</u>	<u>7,220,721</u>
Current Liabilities		
Borrowings	2,554,418	2,559,153
Trade and other payables	2,261,985	2,104,981
Current income tax liabilities	52,206	45,952
	<u>4,868,609</u>	<u>4,710,086</u>
Net Current Assets	<u>2,974,474</u>	<u>2,510,635</u>
	<u>32,571,971</u>	<u>32,469,224</u>
Equity		
Equity attributable to owners of the Company		
Share capital	304,506	304,506
Reserves	6,469,667	5,997,273
	<u>6,774,173</u>	<u>6,301,779</u>
Minority interests	3,690,871	3,460,519
Total equity	<u>10,465,044</u>	<u>9,762,298</u>
Non-Current Liabilities		
Redeemable preference shares	106,792	114,051
Redeemable convertible subordinated loans	-	158,355
Redeemable convertible unsecured loan stocks	26,367	36,930
Borrowings	18,030,255	18,359,545
Land lease received in advance	190,376	171,851
Provision for retirement benefits	48,557	48,063
Deferred income	44,678	56,739
Deferred income tax liabilities	3,632,935	3,628,066
Other payables	26,967	133,326
	<u>32,571,971</u>	<u>32,469,224</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	222	207

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2010

	Attributable to owners of the Company						Capital* Reserves RM'000	Retained Earnings RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
	Non-distributable			Distributable							
	Share Capital RM'000	Share Premium RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Available-for- sale financial assets RM'000	Capital Reserves RM'000					
At 1 January 2010	304,506	2,039,770	506	1,219,271	21,424	63,329	370,876	2,282,097	6,301,779	3,460,519	9,762,298
Effects of changes in accounting policies - FRS139	-	-	-	-	274,070	-	-	165,827	439,897	81,820	521,717
As restated	304,506	2,039,770	506	1,219,271	295,494	63,329	370,876	2,447,924	6,741,676	3,542,339	10,284,015
Profit for the period	-	-	-	-	-	-	-	34,391	34,391	93,237	127,628
Other comprehensive income directly in equity	-	-	(16,502)	-	14,390	-	-	-	(2,112)	2	(2,110)
Total comprehensive income for the period	-	-	(16,502)	-	14,390	-	-	34,391	32,279	93,239	125,518
Transfer to capital reserve	-	-	-	-	-	-	575	(575)	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible subordinated loans	-	-	-	-	-	-	-	-	-	158,355	158,355
Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks	-	-	-	-	-	-	(1,939)	2,157	218	10,623	10,841
Dividend	-	-	-	-	-	-	-	-	-	(113,685)	(113,685)
At 31 March 2010	304,506	2,039,770	(15,996)	1,219,271	309,884	63,329	369,512	2,483,897	6,774,173	3,690,871	10,465,044
At 1 January 2009	304,506	2,039,770	139	1,219,271	(34,444)	63,329	422,783	2,098,675	6,114,029	3,245,997	9,360,026
Profit for the period	-	-	-	-	-	-	-	31,284	31,284	82,310	113,594
Other comprehensive income directly in equity	-	-	(377)	-	(64,199)	-	(13,156)	-	(77,732)	13,156	(64,576)
Total comprehensive income for the period	-	-	(377)	-	(64,199)	-	(13,156)	31,284	(46,448)	95,466	49,018
Acquisition through business combination	-	-	-	-	-	-	-	-	-	150	150
Transfer to capital reserve	-	-	-	-	-	-	577	(577)	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(115,060)	(115,060)
At 31 March 2009	304,506	2,039,770	(238)	1,219,271	(98,643)	63,329	410,204	2,129,382	6,067,581	3,226,553	9,294,134

* - The distributable capital reserves represent mainly the net gain from disposals of investments.

The Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

**Condensed Unaudited Consolidated Statement of Cash Flows
for the period ended 31 March 2010**

	3 months ended 31.03.10 RM' 000 (Unaudited)	3 months ended 31.03.09 RM' 000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	210,418	159,475
Adjustments for:		
Non-cash items	255,186	305,780
Interest expense	346,802	344,506
Interest income	(38,444)	(42,443)
Share of results in associates and jointly controlled entities	28,358	34,626
	<u>802,320</u>	<u>801,944</u>
Operating profit before working capital changes	802,320	801,944
Changes in working capital:		
Net change in current assets	(264,790)	(319,348)
Net change in current liabilities	47,520	62,725
	<u>585,050</u>	<u>545,321</u>
Cash generated from operations	585,050	545,321
Tax paid	(78,579)	(66,664)
Land lease received in advance	21,097	2,851
Retirement benefits paid	(136)	(108)
	<u>527,432</u>	<u>481,400</u>
Net cash generated from operating activities	527,432	481,400
Cash flows from investing activities		
Net cash inflow from disposal of associates	60,114	-
Net cash outflow from acquisition of subsidiary	-	(350)
Purchase of property, plant and equipment	(144,555)	(178,695)
Redemption of RULS in a subsidiary	12,500	8,000
Proceeds from sale of property, plant and equipment	3,776	1,148
Interest received	38,444	42,443
Dividend received	53,500	-
Distribution from jointly controlled entity	83,750	-
	<u>107,529</u>	<u>(127,454)</u>
Net cash generated from/ (used in) investing activities	107,529	(127,454)
Cash flows from financing activities		
Drawdown of term loans	35,479	792,080
Repayment of term loans	(126,801)	(516,807)
Dividend paid to minority shareholder	(113,685)	(115,060)
Interest paid	(346,802)	(344,506)
	<u>(551,809)</u>	<u>(184,293)</u>
Net cash used in financing activities	(551,809)	(184,293)
Net increase in cash and cash equivalents	83,152	169,653
Effects of changes in exchange rate	(16,502)	(377)
Cash & Cash Equivalents at beginning of financial period	4,474,357	3,755,025
	<u>4,541,007</u>	<u>3,924,301</u>
Cash and cash equivalents at end of financial period	4,541,007	3,924,301
Cash and cash equivalents comprise:		
Deposits and bank balances	4,561,678	3,955,431
Designated accounts	(1)	(12,442)
Pledge deposits	(17,758)	(17,906)
Bank overdrafts	(2,912)	(782)
	<u>4,541,007</u>	<u>3,924,301</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

Notes to the interim financial statements

1. Basis of preparation

The consolidated condensed interim financial information for the 3 months ended 31 March 2010 has been prepared in accordance with FRS 134 "Interim financial reporting" and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with the Financial Reporting Standards.

The audit report of the Group's annual financial statements for the year ended 31 December 2009 was not subject to any qualification.

2. Changes in Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the adoption of the following new and revised Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Int.") effective for the financial period beginning on 1 January 2010:

FRS 3	Business Combinations (revised)
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

Amendments	First-time Adoption of Financial Reporting Standard to FRS 1 and Consolidated and Separate Financial Statements: and Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 127	
Amendments	Financial Instruments: Presentation to FRS 132
IC Int.9	Reassessment of Embedded Derivatives
IC Int.10	Interim Financial Reporting and Impairment
IC Int.14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The adoptions of the above FRSs do not have significant financial impact to the Group except for the adoption of FRS 139 as discussed below:

FRS 139 Financial Instruments: Recognition and Measurement

The adoption of the FRS 139 has resulted in a retrospective application of the change to the accounting policy relating to the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year.

Available-For-Sale Financial Assets

Available-for-sale financial assets is measured at fair value initially and subsequently with unrealised gains and losses recognised directly in equity until the investment is derecognised or impaired.

Borrowings

Borrowings are initially measured at fair value including directly attributable transaction costs and subsequently at

amortised cost using the effective interest rate method. Gain and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised or through the amortisation process.

The effects arising from the adoption of FRS139, other than those disclosed in the statement of changes in equity, is set out below:

a) Summary of significant effects on the Financial Statements as at 31 March 2010

i) Statement of Comprehensive Income

FRS 139
RM' 000

Group

Increase/ (Decrease)

Available-for-sale financial assets

- Fair value gains

14,392

ii) Statement of Financial Position

Group

Increase/ (Decrease)

Other assets

(1,600)

Available-for-sale financial assets

349,949

Marketable securities

(61,237)

Redeemable preference shares

(7,259)

Borrowings

(241,988)

b) In accordance with the transitional provisions for the first time adoption of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. The effects of the changes on 1 January 2010 have been accounted for by adjusting the following opening balances in the statement of financial position:-

Statement of Financial Position As at 31 December 2009	<u>As previously stated</u>	<u>Effects on adoption</u>	<u>Total</u>
	RM mil	RM mil	RM mil
Other assets	7	(2)	5
Available-for-sale financial assets	-	335	335
Marketable securities	61	(61)	-
Redeemable preference shares	114	(7)	107
Borrowings	20,919	(242)	20,677
Retained earnings	2,282	166	2,448
Minority interest	3,460	82	3,542

3. Audit qualification

The report of the auditors on the Group's financial statements for the year ended 31 December 2009 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's operations have not been affected by seasonal or cyclical factors.

5. Unusual items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter because of their nature, size and incidence.

6. Changes in estimates

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim period's financial statements.

7. Debt and equity securities

There was no material issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter ended 31 March 2010.

8. Dividend paid

There was no dividend paid during the quarter ended 31 March 2010.

9. Segment Reporting

The Group's segmental report for the three-month financial period ended 31 March 2010 is as follows:

	<u>Transport & Logistics</u> RM mil	<u>Energy & Utilities</u> RM mil	<u>Engineering & Construction</u> RM mil	<u>Others</u> RM mil	<u>Total</u> RM mil
<u>Revenue</u>					
Total	307	1,768	19	-	2,094
Inter-segment	(1)	(6)	(19)	-	(26)
External	306	1,762	-	-	2,068
<u>Results</u>					
Segment Profit /(Loss)	83	456	(3)	(34)	502
Items relating to investments					46
Interest income					38
Finance cost					(347)
Share of results of associated companies and joint controlled entities	-	4	(28)	(4)	(28)
Profit before taxation					211
Tax expenses					(83)
Profit for the period					128

The Group's segmental report for the corresponding three-month financial period ended 31 March 2009 is as follows:

	<u>Transport & Logistics</u> RM mil	<u>Energy & Utilities</u> RM mil	<u>Engineering & Construction</u> RM mil	<u>Others</u> RM mil	<u>Total</u> RM mil
Revenue					
Total	270	1,636	9	1	1,916
Inter-segment	-	(3)	(3)	-	(6)
External	270	1,633	6	1	1,910
Results					
Segment Profit /(Loss)	61	443	1	(8)	497
Items relating to investments					-
Interest income					42
Finance cost					(345)
Share of results of associated companies and joint controlled entities	-	(10)	(25)	-	(35)
Profit before taxation					159
Tax expenses					(46)
Profit for the period					113

10. Property, plant and equipment

Certain group properties were re-valued in the past. This revaluation was brought forward without any subsequent revaluation as allowed for under FRS 116.

11. Events subsequent to the balance sheet date

There was no material event subsequent to the end of current quarter.

12. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter except for the disposal of 47,497,154 ordinary shares of RM0.50 each in Integrated Rubber Corporation Berhad ("IRCB") representing 20.1% of the equity interest in IRCB for a total cash consideration of RM60.1 million resulting in a gain on disposal of RM45.9 million.

13. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2009 except for the Bank guarantees issued to third parties:

	31.03.10	31.12.09
	RM million	RM million
Subsidiaries	379.3	425.9
	<u>379.3</u>	<u>425.9</u>
	<u><u>379.3</u></u>	<u><u>425.9</u></u>

Bank guarantees issued to customers and utilities suppliers were mainly performance bonds and payment guarantees.

14. Capital commitments

Capital commitments for the Group not provided for in the financial statements are as follows:

	31.03.10
	RM million
Property, plant and equipment:	
Authorised and contracted for	353.3
Authorised but not contracted for	232.6
	<u>585.9</u>

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

The Group's profit before tax for the three-month financial period ended 31 March 2010 of RM210.4 million was higher by RM50.9 million compared to the corresponding financial period ended 31 March 2009.

Higher contribution from **Transport & Logistics division** by RM21.6 million or 74.7% consistent with higher throughput volume from port business following the global economic recovery.

Higher contribution from **Energy & Utilities division** by RM34.3 million or 18.7% mainly driven by better performance of Malakoff Corporation Berhad and higher volume gas sold by Gas Malaysia Sdn Bhd.

Lower contribution from **Engineering & Construction division** by RM6.6 million or 27.3% mainly attributed to lower contribution from Double Track project due to revisions in the overall margin. This was mitigated by additional contract revenue recognised from SMART project and lower share of losses from an associate, Zelan Berhad.

16. Variation of results against preceding quarter

The Group recorded a profit before tax of RM210.4 million in the current quarter as compared to RM104.8 million in the preceding quarter. This was mainly due to higher contribution from the energy and utilities division and the absence of provision for the impairment loss on intangible assets in an associate made in the preceding quarter.

17. Current prospects

The Board expects the Group's financial results for the current financial year ending 31 December 2010 to be better than those achieved in the last financial year ended 31 December 2009 in line with the marked improvement in the Malaysian economy.

18. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the reporting period in a public document.

19. Tax expense

	3 months quarter ended 31.03.10 RM mil	3 months quarter ended 31.03.09 RM mil	Cumulative 3 months ended 31.03.10 RM mil	Cumulative 3 months ended 31.03.09 RM mil
Current tax expense				
- current	(77)	(57)	(77)	(57)
- prior year	-	(5)	-	(5)
Deferred tax expense				
- current	(6)	16	(6)	16
- prior year	-	-	-	-
	<u>(83)</u>	<u>(46)</u>	<u>(83)</u>	<u>(46)</u>

The Group's effective tax rate for the current financial period is higher than the statutory income tax rate in Malaysia, mainly due to certain expenses not being deductible for tax purposes.

20. Unquoted investments and landed properties

There was no sale of unquoted investments and landed properties during the current quarter.

21. Quoted investments

a) There was no acquisition or disposal of quoted securities during the current quarter except those disclosed in Note 12. Quoted securities have been reclassified to available-for-sale financial assets upon the adoption of FRS 139 on 1 January 2010.

b) Investments in quoted shares as at 31 March 2010:

	At Cost RM mil	At Carrying Value RM mil	At Market Value RM mil
	<u>RM mil</u>	<u>RM mil</u>	<u>RM mil</u>
Quoted in Malaysia	62	342	342
Quoted outside Malaysia	<u>13</u>	<u>8</u>	<u>8</u>
Total quoted investments	<u>75</u>	<u>350</u>	<u>350</u>

22. Status of corporate proposals announced

There was no corporate proposal announced by the Group during the current quarter.

23. Borrowings

	<u>31.03.10</u> RM mil	<u>31.12.09</u> RM mil
Current		
- secured	2,178	2,197
- unsecured	<u>376</u>	<u>362</u>
	<u>2,554</u>	<u>2,559</u>

Non-current		
- Term loans - secured	5,213	5,453
- Structure commodity - unsecured	50	50
- Sukuk Ijarah Bonds - secured	497	497
- ABBA Bonds - secured	490	490
- Al-Istisna Bonds - secured	320	387
- Istisna Medium Term Notes - secured	4,290	4,290
- Sukuk Medium Term Notes - secured	5,228	5,249
- Junior Sukuk - secured	1,700	1,700
- Redeemable Unsecured		
Loan Stock - unsecured	154	156
- Government Loan - unsecured	88	88
	<u>18,030</u>	<u>18,360</u>
- Redeemable convertible		
subordinated loans - unsecured	-	158
- Redeemable convertible		
loans stock - unsecured	26	37
- Redeemable preference share	107	114

24. Financial instruments

As at 31 March 2010, the Group's outstanding foreign currency forward contracts for the purposes of hedging certain foreign currency-denominated trade payables, as detailed below:

Type of derivative	Contract value in foreign currency ('000)	Notional value (RM' 000)	Fair value (RM' 000)	Loss arising from fair value changes (RM' 000)
Foreign currency forward contracts - Less than 1 year	USD33,419	111,007	108,934	2,073
	EUR333	1,685	1,463	222
		112,692	110,397	2,295

The above foreign currency forward contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than

its functional currency, arising from the normal business activities. Hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed 100% of the net exposure value. Speculative activities are strictly prohibited.

The cash requirement for settling these foreign currency forward contracts is solely from the Group's working capital, in view of its relative immateriality.

25. Changes in material litigation

There was no significant change in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries since the last audited balance sheet date as at 31 December 2009.

26. Dividend Payable

No dividend has been recommended by the Directors for the current financial period ended 31 March 2010. No dividend was declared by the Directors for the corresponding financial period ended 31 March 2009.

27. Earnings per ordinary share

Basic/Diluted Earnings Per Ordinary Share

	3 months quarter ended <u>31.03.10</u>	3 months quarter ended <u>31.03.09</u>	Cumulative 3 months ended <u>31.03.10</u>	Cumulative 3 months ended <u>31.03.09</u>
Profit for the period attributable to owners of the Company (RM mil)	34	31	34	31
Weighted average number of ordinary shares in issue ('mil)	3,045.1	3,045.1	3,045.1	3,045.1
Basic earnings per ordinary share (sen)	1.1	1.0	1.1	1.0
Diluted earnings per ordinary share (sen)	1.1	1.0	1.1	1.0

The Redeemable Convertible Subordinated Loans issued by a subsidiary company as disclosed in Note 23 do not have a material impact to the dilution of the Group's earnings per share.

28. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors as of 25 May 2010.

By Order of the Board

Ahmad Aznan Mohd Nawawi (L.S. No.0009371)

Sazlin Ayesha Abdul Samat (L.S. No.0008112)

Secretaries

Kuala Lumpur

25 May 2010