

Condensed Consolidated Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
for the period ended 31 March 2011

	3 months quarter ended 31.3.11 RM'000 (Unaudited)	3 months quarter ended 31.3.10 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.11 RM'000 (Unaudited)	Cumulative 3 months ended 31.3.10 RM'000 (Unaudited)
Revenue	2,227,770	2,067,624	2,227,770	2,067,624
Cost of sales	(1,434,630)	(1,330,589)	(1,434,630)	(1,330,589)
Gross profit	793,140	737,035	793,140	737,035
Other Operating Income				
Items relating to investments	-	45,919	-	45,919
Others	60,836	51,585	60,836	51,585
Distribution costs	(185)	(132)	(185)	(132)
Administrative expenses	(149,670)	(192,560)	(149,670)	(192,560)
Other operating expenses	(76,934)	(57,818)	(76,934)	(57,818)
Finance cost	(341,122)	(346,802)	(341,122)	(346,802)
Share of results of associated companies and jointly controlled entities	(861)	(28,358)	(861)	(28,358)
Profit before zakat and taxation	285,204	208,869	285,204	208,869
Zakat expenses	-	-	-	-
Tax expenses	(105,613)	(82,403)	(105,613)	(82,403)
Profit for the period	179,591	126,466	179,591	126,466
Other comprehensive income				
Available-for-sale financial assets				
- fair value gains	29,638	14,392	29,638	14,392
- disposal	-	-	-	-
Movement in associate's capital reserve	3,103	-	3,103	-
Currency translation differences	(5,359)	(16,502)	(5,359)	(16,502)
Disposal of subsidiary	-	-	-	-
Other comprehensive income for the period	27,382	(2,110)	27,382	(2,110)
Total comprehensive income for the period	206,973	124,356	206,973	124,356
Profit attributable to:				
Owners of the Parent	43,041	33,229	43,041	33,229
Non-controlling interest	136,550	93,237	136,550	93,237
	179,591	126,466	179,591	126,466
Total comprehensive income attributable to:				
Owners of the Parent	70,423	31,117	70,423	31,117
Non-controlling interest	136,550	93,239	136,550	93,239
	206,973	124,356	206,973	124,356
Earnings per share for profit attributable to the owners of the Parent				
Basic (sen)	1.4	1.1	1.4	1.1
Diluted (sen)	1.4	1.1	1.4	1.1

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.

Condensed Consolidated Statement of Financial Position
As at 31 March 2011

	As at <u>31.3.11</u> RM' 000 (Unaudited)	As at <u>31.12.10</u> RM' 000 (Audited)
Non-Current Assets		
Property, plant and equipment	16,521,187	16,705,775
Investment properties	30,672	30,778
Prepaid lease payments	19,136	19,238
Investments in associates	1,133,714	1,163,040
Investment in jointly controlled entities	244,601	219,281
Available-for-sale financial assets	8,429	8,412
Property development expenditure	1,940,486	1,917,196
Other assets	4,132	4,214
Intangible assets	7,878,359	7,979,958
Deferred expenditure	-	-
Deferred income tax assets	660,643	670,503
	<u>28,441,359</u>	<u>28,718,395</u>
Current Assets		
Inventories	681,346	585,289
Assets held for sale	-	103
Trade and other receivables	1,958,882	2,227,814
Current income tax recoverable	264,403	337,014
Amount due from holding company	5,518	5,518
Available-for-sale financial assets	85,867	81,868
Deposits, bank and cash balances	4,980,637	4,062,543
	<u>7,976,653</u>	<u>7,300,149</u>
Current Liabilities		
Borrowings	4,249,266	3,991,739
Trade and other payables	1,920,263	1,594,123
Current income tax liabilities	43,832	40,409
Redeemable convertible unsecured loan stocks	26,254	26,051
	<u>6,239,615</u>	<u>5,652,322</u>
Net Current Assets	<u>1,737,038</u>	<u>1,647,827</u>
	<u>30,178,397</u>	<u>30,366,222</u>
Equity		
Equity attributable to owners of the Parent		
Share capital	304,506	304,506
Reserves	6,360,189	6,289,766
	6,664,695	6,594,272
Non-controlling interest	3,769,818	3,808,956
Total equity	<u>10,434,513</u>	<u>10,403,228</u>
Non-Current Liabilities		
Redeemable preference shares	137,491	136,467
Redeemable convertible subordinated loans	-	-
Redeemable convertible unsecured loan stocks	-	-
Borrowings	15,731,596	15,974,676
Land lease received in advance	159,529	162,264
Provision for retirement benefits	51,213	53,748
Deferred income	108,189	99,439
Deferred income tax liabilities	3,526,860	3,511,746
Other payables	29,006	24,654
	<u>30,178,397</u>	<u>30,366,222</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	219	217

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2011

	Attributable to owners of the Parent						Distributable			Non-controlling interests	Total Equity
	Non-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	Capital* Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2011	304,506	2,039,770	(31,051)	1,219,271	107,977	83,264	375,864	2,494,671	6,594,272	3,808,956	10,403,228
Profit for the period	-	-	-	-	-	-	-	43,041	43,041	136,550	179,591
Other comprehensive income / (loss)	-	-	(5,359)	-	29,638	3,103	-	-	27,382	-	27,382
Total comprehensive income for the period	-	-	(5,359)	-	29,638	3,103	-	43,041	70,423	136,550	206,973
Transfer to capital reserve	-	-	-	-	-	-	575	(575)	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks	-	-	-	-	-	-	-	-	-	2	2
Dividend	-	-	-	-	-	-	-	-	-	(175,690)	(175,690)
At 31 March 2011	304,506	2,039,770	(36,410)	1,219,271	137,615	86,367	376,439	2,537,137	6,664,695	3,769,818	10,434,513

* - 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 2010.

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2011

	Attributable to owners of the Parent						Distributable			Non-controlling interests	Total Equity
	Non-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	Capital* Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2010	304,506	2,039,770	506	1,219,271	16,104	68,649	370,876	2,282,097	6,301,779	3,460,519	9,762,298
Effects of changes in accounting policies - FRS139	-	-	-	-	264,440	-	-	(37,790)	226,650	(37,717)	188,933
Prior year adjustments	-	-	-	-	-	-	-	(3,097)	(3,097)	-	(3,097)
As restated	304,506	2,039,770	506	1,219,271	280,544	68,649	370,876	2,241,210	6,525,332	3,422,802	9,948,134
Profit for the period	-	-	-	-	-	-	-	344,940	344,940	457,472	802,412
Other comprehensive income / (loss)	-	-	(31,557)	-	(172,567)	14,615	(244)	-	(189,753)	(4,405)	(194,158)
Total comprehensive income for the period	-	-	(31,557)	-	(172,567)	14,615	(244)	344,940	155,187	453,067	608,254
Transfer to capital reserve	-	-	-	-	-	-	2,300	(2,300)	-	-	-
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	-	-	-	-	-	-	2,932	2,173	5,105	6,459	11,564
New investment in a subsidiary	-	-	-	-	-	-	-	-	-	10	10
Dividend	-	-	-	-	-	-	-	(91,352)	(91,352)	(231,737)	(323,089)
At 31 December 2010	304,506	2,039,770	(31,051)	1,219,271	107,977	83,264	375,864	2,494,671	6,594,272	3,808,956	10,403,228

* - 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 2010.

**Condensed Unaudited Consolidated Statement of Cash Flows
for the period ended 31 March 2011**

	3 months ended 31.3.11 RM'000 (Unaudited)	3 months ended 31.3.10 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	285,204	208,869
Adjustments for:		
Non-cash items	314,364	256,735
Interest expense	341,122	346,802
Interest income	(49,779)	(38,444)
Share of results in associates and jointly controlled entities	861	28,358
Operating profit before working capital changes	891,772	802,320
Changes in working capital:		
Net change in current assets	166,734	(264,790)
Net change in current liabilities	323,425	47,520
Cash generated from operations	1,381,931	585,050
Designated account and pledged deposits	333	-
Tax paid	(4,605)	(78,579)
Land lease received in advance	-	21,097
Retirement benefits paid	(3,102)	(136)
Net cash generated from operating activities	1,374,557	527,432
Cash flows from investing activities		
Net cash outflow from disposals of subsidiaries	-	-
Net cash inflow from disposal of associates	-	60,114
Net cash inflow / (outflow) from acquisition of subsidiary	-	-
Net cash inflow from disposal of available-for-sale financial assets	-	-
Additional investment in a jointly controlled entity	-	-
Purchase of property, plant and equipment	(30,868)	(144,555)
Purchase of investment property	-	-
Redemption of RULS in a subsidiary	12,500	12,500
Proceeds from sale of property, plant and equipment	159	3,776
Proceeds from sale of investment properties	(28)	-
Proceeds from sale of other non current asset	1,184	-
Additional property development expenditure	(23,290)	-
Interest received	49,779	38,444
Dividend received	9,800	53,500
Distribution from jointly controlled entity	-	83,750
Additional prepaid lease payment	-	-
Repayment of land lease received in advance	-	-
Net cash generated from / (used in) investing activities	19,236	107,529
Cash flows from financing activities		
Drawdown of term loans	125,511	35,479
Government grant received	12,915	-
Repayment of term loans	(98,209)	(126,801)
Dividend paid	-	-
Dividend paid to minority shareholder	(175,690)	(113,685)
Interest paid	(341,122)	(346,802)
Redemption of preference shares in a subsidiary	-	-
Net cash used in financing activities	(476,595)	(551,809)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.

**Condensed Unaudited Consolidated Statement of Cash Flows
for the period ended 31 March 2011 (continued)**

	3 months ended 31.3.11 RM'000 (Unaudited)	3 months ended 31.3.10 RM'000 (Unaudited)
Net increase in cash and cash equivalents	917,198	83,152
Effects of changes in exchange rate	(5,359)	(16,502)
Cash & Cash Equivalents at beginning of financial period	<u>4,039,090</u>	<u>4,474,357</u>
Cash and cash equivalents at end of financial period	<u>4,950,929</u>	<u>4,541,007</u>
Cash and cash equivalents comprise:		
Deposits and bank balances	4,980,637	4,561,678
Designated accounts	(1)	(1)
Pledge deposits	(15,632)	(17,758)
Bank overdrafts	<u>(14,075)</u>	<u>(2,912)</u>
	<u>4,950,929</u>	<u>4,541,007</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 2010.

Notes to the interim financial statements

1. Basis of preparation

The consolidated condensed interim financial information for the 3 months ended 31 March 2011 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 2010, which have been prepared in accordance with the Financial Reporting Standards, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965.

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 2010 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 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (amendment)
FRS 3	Business Combinations (revised)
FRS 7	Financial Instruments: Disclosures (amendment)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 132	Financial Instruments: Presentation (amendment)
IC Int.4	Determining Whether an Arrangement contains a Lease
IC Int.9	Reassessment of Embedded Derivatives

IC Int.12 Service Concession Arrangements

IC Int.18 Transfers of Assets from Customers

The adoptions of the above FRSs do not have significant financial impact to the Group.

3. Audit qualification

The report of the auditors on the Group's financial statements for the year ended 31 December 2010 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 2011.

8. Dividend paid

There was no dividend paid during the quarter ended 31 March 2011.

9. Segment Reporting

The Group's segmental report for the three-month financial period ended 31 March 2011 is as follows:

	<u>Transport & Logistics</u> RM mil	<u>Energy & Utilities</u> RM mil	<u>Engineering & Construction</u> RM mil	<u>Corporate & Others</u> RM mil	<u>Total</u> RM mil
<u>Revenue</u>					
Total	341	1,885	10	1	2,237
Inter-segment	(8)	-	(1)	-	(9)
External	333	1,885	9	1	2,228
<u>Results</u>					
Profit / (Loss)					
before taxation	68	302	(25)	(60)	285
Finance cost	37	260	-	44	341
Depreciation and amortisation	68	226	-	1	295
Earnings Before Interest, Tax, Depreciation and Amortisation	173	788	(25)	(15)	921

The Group's segmental report for the corresponding 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>Corporate & 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>					
Profit / (Loss)					
before taxation	49	218	(31)	(27)	209
Finance cost	34	278	-	35	347
Depreciation and amortisation	64	241	-	1	306
Earnings Before Interest, Tax, Depreciation and Amortisation	147	737	(31)	9	862

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 except for the cessation of Recycle Energy Sdn Bhd ("RESB") as MMC Corporation Berhad ("MMC") 77.23% owned subsidiary effective from 24 May 2011. On the same date, an announcement was made to Bursa Malaysia in relation to this matter.

12. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter.

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 2010 except for the following bank guarantees issued to third parties:

	31.03.11	31.12.10
	RM million	RM million
Subsidiaries	410.9	406.8

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:

	31.03.11
	RM million
Property, plant and equipment:	
Authorised and contracted for	323.1
Authorised but not contracted for	269.1
	592.2

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

The Group's profit before zakat and taxation for the three-months financial period ended 31 March 2011 of RM285.2 million was higher by RM76.3 million compared to the corresponding financial period ended 31 March 2010.

Higher profit recorded from **Energy & Utilities division** by RM85.1 million or 39.1% due to higher volume of gas sold, lower other operating expenses, improved associates performance and lower finance cost following repayment of loan during the period.

Higher profit recorded from **Transport & Logistics division** by RM19.2 million or 39.3% mainly driven by the increase in throughput volume.

Better performance from the **Engineering & Construction division** mainly due to the absence of profit revisions for the double track project despite the project losses of Zelan Berhad, an associate company of the group.

Lower contribution from **Corporate & Others division** by RM33.5 million or 124.8% was due to no gain on disposal of investment recorded as in the corresponding financial period.

16. Variation of results against preceding quarter

The Group recorded a profit before zakat and taxation of RM285.2 million in the current quarter as compared to RM121.9 million in the preceding quarter. This was mainly due to higher contribution from the energy and utilities division resulted

from the absence of provision for impairment loss on intangible assets of an associate.

17. Current prospects

In line with the improvement in our Group businesses, the Board expects the Group's financial results for the current financial year ending 31 December 2011 to be better than those achieved in the last financial year ended 31 December 2010.

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 31.3.11 RM mil	3 months quarter ended 31.3.10 RM mil	Cumulative 3 months ended 31.3.11 RM mil	Cumulative 3 months ended 31.3.10 RM mil
Current tax expense				
- current	(79)	(77)	(79)	(77)
- prior year	(2)	-	(2)	-
Deferred tax expense				
- current	(25)	(5)	(25)	(5)
- prior year	-	-	-	-
	<u>(106)</u>	<u>(82)</u>	<u>(106)</u>	<u>(82)</u>

The Group's effective tax rate for the three-months financial period is higher than the statutory income tax rate in Malaysia, mainly due to higher interest restriction as an effect of single tier tax system implication.

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.

b) Investments in quoted shares as at 31 March 2011:

	At Cost RM mil	At Carrying Value RM mil	At Market Value RM mil
Quoted in Malaysia	16	86	86
Quoted outside Malaysia	13	8	8
Total quoted investments	29	94	94

22. Status of corporate proposals announced

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

23. Borrowings

	31.03.11 RM mil	31.12.10 RM mil
Current		
- secured	3,718	3,468
- unsecured	531	524
	<u>4,249</u>	<u>3,992</u>
- Redeemable convertible		
loans stocks - unsecured	<u>26</u>	<u>26</u>

Non-current

- Term loans - secured	3,911	4,080
- Sukuk Ijarah Bonds - secured	241	239
- ABBA Bonds - secured	370	370
- Al-Istisna Bonds - secured	255	320
- Istisna Medium Term Notes - secured	3,730	3,730
- Sukuk Medium Term Notes - secured	5,268	5,258
- Junior Sukuk - secured	1,749	1,749
- Redeemable Unsecured		
Loan Stock - unsecured	132	150
- Government Loan - unsecured	76	78
	<u>15,732</u>	<u>15,974</u>
- Redeemable preference shares	<u>137</u>	<u>136</u>

24. Realised and unrealised profit/losses disclosure

The retained earnings as at 31 March 2011 is analysed as follows:

	As at 31.03.11 RM' 000
Total retained earnings of the Company and its subsidiaries:	
- Realised	2,755,804
- Unrealised	77,047
	<u>2,832,851</u>
Total retained earnings from associated companies:	
- Realised	(179,631)
- Unrealised	(28,371)
	<u>(208,002)</u>
Total retained earnings from jointly controlled entities:	
- Realised	(53,630)
- Unrealised	206
	<u>(53,424)</u>
Total retained earnings before consolidation adjustment	<u>2,571,425</u>
Less: Consolidation adjustment	(34,288)
Total retained earnings as per consolidated financial statements	<u>2,537,137</u>

25. Changes in material litigation

There are no significant changes 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 2010.

26. Dividend Payable

No dividend has been recommended by the Directors for the current financial period ended 31 March 2011. No dividend was declared by the Directors for the corresponding financial period ended 31 March 2010.

27. Earnings per ordinary share

Basic/Diluted Earnings Per Ordinary Share

	3 months quarter ended	3 months quarter ended	Cumulative 3 months ended	Cumulative 3 months ended
	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
Profit for the period attributable to owners of the Parent (RM mil)	43	33	43	33
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)	1.4	1.1	1.4	1.1
Diluted earnings per ordinary share (sen)	1.4	1.1	1.4	1.1

The Redeemable Convertible Unsecured Loan Stocks issued by a subsidiary 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 31 May 2011.

By Order of the Board

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

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

Secretaries

Kuala Lumpur

31 May 2011