

Condensed Consolidated Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
for the period ended 31 March 2014

	<u>3 months</u> <u>ended</u> <u>31.03.14</u> RM'000 (Unaudited)	<u>3 months</u> <u>ended</u> <u>31.03.13</u> RM'000 (Restated)	<u>Cumulative</u> <u>3 months ended</u> <u>31.03.14</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>3 months ended</u> <u>31.03.13</u> RM'000 (Restated)
Revenue	1,860,254	1,740,196	1,860,254	1,740,196
Cost of sales	(1,264,489)	(1,192,870)	(1,264,489)	(1,192,870)
Gross profit	<u>595,765</u>	<u>547,326</u>	<u>595,765</u>	<u>547,326</u>
Other operating income				
- items relating to investments	2,136	-	2,136	-
- other operating income	58,124	67,497	58,124	67,497
Administrative expenses	(189,240)	(181,135)	(189,240)	(181,135)
Other operating expenses	(114,148)	(81,746)	(114,148)	(81,746)
Finance cost	(304,682)	(248,023)	(304,682)	(248,023)
Share of results of:				
- associates	28,028	18,217	28,028	18,217
- joint ventures	10,048	7,245	10,048	7,245
Profit before zakat and taxation	<u>86,031</u>	<u>129,381</u>	<u>86,031</u>	<u>129,381</u>
Tax expenses	(33,685)	(43,973)	(33,685)	(43,973)
Profit for the period	<u>52,346</u>	<u>85,408</u>	<u>52,346</u>	<u>85,408</u>
Other comprehensive (loss)/income				
Available-for-sale financial assets				
- fair value (losses)/gains	(5,402)	9,652	(5,402)	9,652
- disposal	201	-	201	-
Movement in associates' capital reserve	-	(64)	-	(64)
Fair value adjustment-cash flow hedge	(51,374)	(15,691)	(51,374)	(15,691)
Currency translation differences	13,914	5,572	13,914	5,572
Other comprehensive loss for the period	<u>(42,661)</u>	<u>(531)</u>	<u>(42,661)</u>	<u>(531)</u>
Total comprehensive income for the period	<u>9,685</u>	<u>84,877</u>	<u>9,685</u>	<u>84,877</u>
Profit attributable to:				
Owners of the Parent	23,575	8,822	23,575	8,822
Non-controlling interests	28,771	76,586	28,771	76,586
	<u>52,346</u>	<u>85,408</u>	<u>52,346</u>	<u>85,408</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(19,086)	8,291	(19,086)	8,291
Non-controlling interests	28,771	76,586	28,771	76,586
	<u>9,685</u>	<u>84,877</u>	<u>9,685</u>	<u>84,877</u>
Earnings per share attributable to owners of the Parent				
Basic (sen)	0.8	0.3	0.8	0.3
Diluted (sen)	0.8	0.3	0.8	0.3

Condensed Consolidated Statement of Financial Position

	As at 31.03.14 RM' 000 (Unaudited)	As at 31.12.13 RM' 000 (Audited)
Non-Current Assets		
Property, plant and equipment	19,650,260	19,144,848
Finance lease receivables	2,081,502	2,012,945
Investment properties	29,325	29,923
Investments in associates	2,691,544	2,684,793
Investment in joint arrangements	281,946	271,809
Available-for-sale financial assets	5,857	6,936
Property development expenditure	2,335,147	2,285,648
Trade and other receivables	136,467	144,165
Derivative financial instruments	41,353	80,241
Intangible assets	7,168,690	7,278,077
Deferred tax assets	1,426,313	1,408,310
	<u>35,848,404</u>	<u>35,347,695</u>
Current Assets		
Inventories	482,298	493,734
Trade and other receivables	2,823,675	2,596,389
Assets held for sale	-	131
Derivative financial instruments	1,177	3,284
Tax recoverable	266,453	335,127
Available-for-sale financial assets	83,975	88,576
Deposits, bank and cash balances	4,117,838	4,330,902
	<u>7,775,416</u>	<u>7,848,143</u>
	<u>43,623,820</u>	<u>43,195,838</u>
Equity and Liabilities		
Equity attributable to owners of the Parent		
Share capital	304,506	304,506
Reserves	6,892,451	6,911,537
	<u>7,196,957</u>	<u>7,216,043</u>
Non-controlling interests	3,020,567	2,998,046
Total equity	<u>10,217,524</u>	<u>10,214,089</u>
Non-Current Liabilities		
Redeemable preference shares	109,648	131,508
Borrowings	22,558,808	21,756,979
Land lease received in advance	281,013	281,909
Provision for retirement benefits	79,149	78,679
Deferred income	2,856,955	2,783,247
Derivative financial instruments	48,210	31,762
Deferred tax liabilities	3,263,273	3,289,561
Trade and other payables	36,975	93,010
	<u>29,234,031</u>	<u>28,446,655</u>
Current Liabilities		
Borrowings	2,152,006	2,221,426
Trade and other payables	1,884,230	2,185,830
Tax payables	12,429	8,286
Deferred income	88,917	85,121
Derivative financial instruments	34,683	34,431
	<u>4,172,265</u>	<u>4,535,094</u>
Total liabilities	<u>33,406,296</u>	<u>32,981,749</u>
Total equity and liabilities	<u>43,623,820</u>	<u>43,195,838</u>
Net assets per share attributable to owners of the Parent (sen)	236	237

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2014

	Attributable to owners of the parent Non-distributable						Distributable					Total equity RM'000
	Share capital RM'000	Share premium RM'000	Currency translation reserve RM'000	Revaluation reserve RM'000	Available-for-sale financial assets RM'000	Cash flow hedge reserves RM'000	Capital reserves RM'000	Capital* reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2014	304,506	2,039,770	(26,902)	1,219,271	83,338	176,150	9,163	379,103	3,031,644	7,216,043	2,998,046	10,214,089
Net profit for the financial period	-	-	-	-	-	-	-	-	23,575	23,575	28,771	52,346
Other comprehensive income/(loss)	-	-	13,914	-	(5,201)	(51,374)	-	-	-	(42,661)	-	(42,661)
Total other comprehensive income/(loss) for the period	-	-	13,914	-	(5,201)	(51,374)	-	-	23,575	(19,086)	28,771	9,685
Transfer to capital reserves	-	-	-	-	-	-	-	575	(575)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(6,250)	(6,250)
At 31 March 2014	304,506	2,039,770	(12,988)	1,219,271	78,137	124,776	9,163	379,678	3,054,644	7,196,957	3,020,567	10,217,524

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

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2013

	Attributable to owners of the Parent						Distributable					
	Non-distributable			Distributable								
	Share capital	Share premium	Currency translation reserve	Revaluation reserve	Available-for-sale financial assets	Cash flow hedge reserves	Capital reserves	Capital* reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	304,506	2,039,770	(30,069)	1,219,271	102,329	(5,107)	79,443	376,803	2,958,138	7,045,084	3,184,984	10,230,068
Net profit for the financial period	-	-	-	-	-	-	-	-	8,822	8,822	76,586	85,408
Other comprehensive income/(loss)	-	-	5,572	-	9,652	(15,691)	(64)	-	-	(531)	-	(531)
Total other comprehensive income/(loss) for the period	-	-	5,572	-	9,652	(15,691)	(64)	-	8,822	8,291	76,586	84,877
Transfer to capital reserves	-	-	-	-	-	-	-	575	(575)	-	-	-
Increase in equity interest in an existing subsidiary	-	-	-	-	-	-	(72,042)	-	-	(72,042)	(109,079)	(181,121)
Dividends	-	-	-	-	-	-	-	-	-	-	(177,499)	(177,499)
At 31 March 2013	304,506	2,039,770	(24,497)	1,219,271	111,981	(20,798)	7,337	377,378	2,966,385	6,981,333	2,974,992	9,956,325

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

Condensed Consolidated Statement of Cash Flows

	3 months ended 31.03.14 RM'000 (Unaudited)	3 months ended 31.03.13 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	86,031	129,381
Adjustments for:		
Non-cash items	286,139	316,148
Interest expense	304,682	248,023
Interest income	(45,751)	(48,273)
Share of results in associates and joint ventures	(38,076)	(25,462)
Operating profit before working capital changes	593,025	619,817
Changes in working capital:		
Net change in current assets	(285,280)	(78,736)
Net change in current liabilities	(318,454)	(230,843)
Cash (used in)/generated from operations	(10,709)	310,238
Deferred income received	81,710	81,341
Tax paid	(5,158)	(58,631)
Land lease received in advance	358	-
Retirement benefits paid	(264)	(210)
Staff loan repaid	72	412
Net cash generated from operating activities	66,009	333,150
Cash flows from investing activities		
Net cash outflow from additional investment in an associate	(16,579)	-
Purchase of property, plant and equipment	(719,865)	(613,852)
Proceeds from sale of property, plant and equipment	587	5
Additional property development expenditure	(49,499)	(2,186)
Interest received	45,751	48,273
Dividend received	12,931	18,675
Proceeds from selective capital return of an unquoted associate	-	39,200
Net cash used in investing activities	(726,674)	(509,885)
Cash flows from financing activities		
Drawdown of term loans	917,653	5,859,713
Repayment of term loans	(171,813)	(5,412,440)
Purchase of additional shares in a subsidiary from non-controlling interests	-	(181,121)
Dividend paid to non-controlling interests of subsidiaries	(6,250)	(179,853)
Interest paid	(304,682)	(248,023)
Net cash generated from / (used in) financing activities	434,908	(161,724)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

Condensed Consolidated Statement of Cash Flows

	3 months ended 31.03.14 RM'000 (Unaudited)	3 months ended 31.03.13 RM'000 (Unaudited)
Net change in cash and cash equivalents	(225,757)	(338,459)
Foreign exchange differences	13,914	(10,121)
Cash and cash equivalents at beginning of the financial period	<u>4,328,560</u>	<u>6,182,842</u>
Cash and cash equivalents at end of the financial period	<u>4,116,717</u>	<u>5,834,262</u>
Cash and cash equivalents comprise:		
Deposits and bank balances	4,117,838	5,835,223
Bank overdrafts	<u>(1,121)</u>	<u>(961)</u>
	<u>4,116,717</u>	<u>5,834,262</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 2013.

Notes to the interim financial statements

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2013.

The audited financial statements of the Group for the financial year ended 31 December 2013 were prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The significant accounting policies and methods adopted in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2013.

The Group adopted the following MFRSs and Amendments to MFRSs effective for annual period beginning on or after 1 January 2014 as follows:

- Amendments to MFRS 10, Consolidated Financial Statements
- Amendments to MFRS 12, Disclosure of Interests in Other Entities
- Amendments to MFRS 127, Consolidated and Separate Financial Statements
- Amendments to MFRS 132, Financial Instruments: Presentation
- IC Interpretation 21, Levies

The adoption of the above did not have any material impact on the financial statements of the Group in the period of application.

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

3. Seasonal or cyclical factors

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

4. Unusual items

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

5. Changes in estimates

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim results.

6. Debt and equity securities

There was no material issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2014.

7. Dividend paid

There was no dividend paid during the current quarter ended 31 March 2014.

8. Segment Reporting

The Group's segmental reporting for the current quarter ended 31 March 2014 is as follows:

	Ports & Logistics	Energy & Utilities			Engineering & Construction	Investment Holding, Corporate & Others	Total
	RM mil	Gas RM mil	Energy RM mil	Utilities RM mil	RM mil	RM mil	RM mil
<u>Revenue</u>							
Total	385	-	1,237	23	236	13	1,894
Inter-segment	(2)	-	-	-	(32)	-	(34)
External	383	-	1,237	23	204	13	1,860
<u>Results</u>							
Profit /(loss) before zakat and taxation	59	16	45	-	42	(76)	86
Finance cost	26	-	229	-	-	50	305
Depreciation and Amortisation	59	-	240	1	2	7	309
Earnings Before Interest, Tax, Depreciation and Amortisation	144	16	514	1	44	(19)	700

The Group's segmental reporting for the corresponding financial quarter ended 31 March 2013 is as follows:

	Ports & Logistics	Energy & Utilities			Engineering & Construction	Investment Holding, Corporate & Others	Total
	RM mil	Gas RM mil	Energy RM mil	Utilities RM mil	RM mil	RM mil	RM mil
	<u>Revenue</u>						
Total	376	-	1,129	24	224	9	1,762
Inter-segment	(4)	-	-	-	(18)	-	(22)
External	372	-	1,129	24	206	9	1,740
<u>Results</u>							
Profit							
before zakat and taxation	76	16	120	5	(20)	(68)	129
Finance cost	26	-	169	-	1	52	248
Depreciation and amortisation	60	-	220	1	-	7	288
Earnings Before Interest, Tax, Depreciation and Amortisation	162	16	509	6	(19)	(9)	665

9. Property, plant and equipment

There was no valuation of property, plant and equipment during the current quarter ended 31 March 2014 except for the amounts carried forward of certain Group's properties that had been revalued in the past. These revalued properties were carried forward without any subsequent revaluation as allowed under MFRS 116.

10. Material events subsequent to the end of current interim period

On 7 April 2014, Malakoff Corporation Berhad ("Malakoff"), a 51%-owned subsidiary of MMC Corporation Berhad, via its wholly-owned subsidiaries, Hypergantic Sdn Bhd ("Hypergantic") and Malakoff Power Berhad ("MPower") entered into share purchase agreements with Sime Darby Energy Sdn Bhd for the following:

- (i) proposed acquisition of 75% equity interest in Port Dickson Power Sdn Bhd ("PDP"), comprising 112,500 ordinary shares of RM1.00 each and 112,500 redeemable preference shares of RM1.00 each by Hypergantic; and
- (ii) proposed acquisition of 100% equity interest in Sime Darby Biofuels Sdn Bhd ("SDB") comprising 2 ordinary shares of RM1.00 each by MPower.

for a total cash consideration of RM300 million (collectively referred to as 'Proposed Acquisitions').

Upon completion of the Proposed Acquisitions, PDP and SDB will be wholly-owned subsidiaries of Hypergantic and MPower respectively.

The acquisitions were completed on 30 April 2014.

Save as disclosed above, there was no other material event subsequent to the end of the interim period reported which has not been reflected in the financial statements.

11. Changes in composition of the Group

There was no change in the composition of the Group for the financial quarter ended 31 March 2014.

12. 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 2013 except for the following bank guarantees issued to third parties:

	31.03.14	31.12.13
	RM mil	RM mil
Subsidiaries	432.2	453.3

Bank guarantees issued to third parties are mainly in relation to performance bonds and payments guarantee for utilities facilities.

13. Capital commitments

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

	31.03.14	31.12.13
	RM mil	RM mil
Property, plant and equipment:		
Authorised and contracted for	2,352.7	2,774.0
Authorised but not contracted for	484.8	563.2
	<u>2,837.5</u>	<u>3,337.2</u>

14. Related party transactions

Following table provides information on the transactions which have been entered into with related parties during the current quarter under review:

	31.03.14	31.03.13
	RM mil	RM mil
Associated companies		
- Interest income on unsecured subordinated loan notes	17.0	15.5

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established within negotiated terms.

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

For the current quarter under review, the Group recorded revenue of RM1,860.3 million, an increase of 6.9% as compared with RM1,740.2 million reported in the corresponding quarter of the preceding year, mainly attributed to higher dispatch factors from Malakoff's gas fired power plants and contribution from Malakoff Wind Macarthur, a wind farm power producer acquired in June 2013.

The Group recorded Profit before zakat and taxation of RM86.0 million, a decrease by 33.5% as compared with RM129.4 million in the corresponding quarter of the preceding year, primarily due to the following:

- (i) lower contribution from Malakoff's Tanjung Bin power plant as a result of forced outages caused by boiler tube leaks;
- (ii) increase in finance costs following the consolidation of Malakoff Wind Macarthur's group of companies ("MWM"); and
- (iii) loss on fair valuation of MWM's AUD loan interest rate swap.

However these have been offset by higher work progress for the construction of Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh-Kajang Line.

Energy & Utilities

The segment revenue for the current quarter increased by 9.3% from RM1,153.0 million in the corresponding quarter of preceding year to RM1,260.4 million in the current quarter, mainly due to higher dispatch factors from Malakoff's Segari Energy Ventures and GB3, gas fired power plants and contribution from Malakoff Wind Macarthur acquired in June 2013.

Despite the increase in revenue, the segment Profit before zakat and taxation decreased by 56.4% from RM140.9 million in the corresponding quarter of preceding year to RM61.4 million in the current quarter. The decrease was mainly due to the following:

- (i) lower contribution from Malakoff's Tanjung Bin power plant as a result of forced outages caused by boiler tube leaks;
- (ii) increase in finance costs following the consolidation of Malakoff Wind Macarthur's group of companies ("MWM"); and
- (iii) loss on fair valuation of MWM's AUD loan interest rate swap.

Ports & Logistics

The segment revenue increased marginally by 2.9% from RM372.4 million in the corresponding quarter of preceding year to RM383.1 million in the current quarter, mainly due to higher throughput registered from both ports coupled with additional rates incentives achieved from improved productivity.

The segment recorded lower Profit before zakat and taxation of RM59.1 million as compared with RM75.9 million in the corresponding quarter of preceding year, mainly due to higher repairs and maintenance works at both ports.

Engineering & Construction

The segment revenue for the current quarter decreased marginally by 0.7% from RM205.7 million in the corresponding quarter of preceding year to RM204.1 million in the current quarter, mainly due to lower work progress from Electrified Double Track Project as project nears completion, however offset by higher work progress from Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh-Kajang Line ("KVMRT project").

Despite the marginal decrease in revenue, the segment recorded Profit before zakat and taxation of RM42.0 million as compared with Loss before zakat and taxation of RM19.6 million in the

corresponding quarter of the preceding year, mainly due to higher contribution from KVMRT project, gain from the sale of IJM shares in Zelan Bhd and absence of provision for litigation costs in relation to the ongoing arbitration proceedings between Wayss & Freytag (Malaysia) Sdn Bhd and MMC Engineering Group Berhad-Gamuda Berhad Joint Venture concerning SMART project.

Investment Holding, Corporate & Others

The segment revenue increased by RM3.9 million or 42.9% due to higher passenger volumes registered from airport operations.

The segment recorded Loss before zakat and taxation of RM76.4 for the current quarter as compared with Loss before zakat and taxation of RM67.9 million in the corresponding quarter of the preceding year, mainly attributed to higher finance costs and other operating costs.

16. Variation of results against immediate preceding quarter

The Group recorded Profit before zakat and taxation of RM86.0 million in the current quarter as compared with Loss before zakat and taxation of RM79.3 million in the immediate preceding quarter. The upturn in result was mainly attributed to the positive recovery progress from Malakoff's Tanjung Bin power plant following forced outages caused by boiler tube leaks, thus lower provision for penalty charges and maintenance works was recorded.

17. Current prospects

The Group's overall performance is expected to improve further moving forward. Barring unforeseen circumstances, the Group is optimistic that the energy and utility segment will perform reasonably well in the coming months in view of the impending full recovery of Malakoff's Tanjung Bin power plant by second

half 2014. Malakoff is the largest contributor to the Group's revenue.

The Ports & Logistics segment is well poised to benefit from Pelabuhan Tanjung Pelepas ("PTP") port expansion. The expansion, which was completed recently will enhance port capacity.

Engineering & Construction segment will continue to contribute satisfactorily leveraging on the KVMRT project, which is progressing as scheduled as it enters its third year of construction period.

18. Profit before zakat and taxation

Profit before zakat and taxation is stated after (crediting)/charging the following items:

	3 months ended 31.03.14	3 months ended 31.03.13	Cumulative 3 months ended 31.03.14	Cumulative 3 months ended 31.03.13
	RM mil	RM mil	RM mil	RM mil
Interest income	(45.8)	(48.3)	(45.8)	(48.3)
Depreciation	200.2	178.6	200.2	178.6
Amortisation	109.4	108.9	109.4	108.9
Impairment of receivables	28.1	14.0	28.1	14.0
Write-back of impairment of receivables	-	(6.0)	-	(6.0)
Net unrealised foreign exchange gain	-	(6.3)	-	(6.3)
(Gain)/loss on disposal of:				
- property, plant and equipment	(2.8)	-	(2.8)	-
- non-current asset	0.6	-	0.6	-

19. Profit forecast or profit guarantee

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

20. Tax expense

	3 months ended 31.03.14	3 months ended 31.03.13	Cumulative 3 months ended 31.03.14	Cumulative 3 months ended 31.03.13
	RM mil	RM mil	RM mil	RM mil
Current tax expense				
- current	(78)	(65)	(78)	(65)
- prior year	2	-	2	-
Deferred tax expense				
- current	65	21	65	21
- prior year	(23)	-	(23)	-
	<u>(34)</u>	<u>(44)</u>	<u>(34)</u>	<u>(44)</u>

The Group's effective tax rate for the current quarter was higher than the statutory income tax rate principally due to expenses which are not deductible for tax purposes and effects of temporary differences arising from change in future tax rate.

21. Status of corporate proposals announced

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

22. Available for sale financial assets

Fair value of financial instruments

Fair values recognised in the statement of financial position are measured using the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted price included with level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derives from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, observable inputs).

A reconciliation from opening balances to fair value measurement on level 1 of the fair value hierarchy is as follows:

	<u>31.03.14</u>	<u>31.12.13</u>
	RM mil	RM mil
At 1 January	95.5	96.3
Net gains/(losses) transferred to equity	(5.4)	(0.8)
Disposals	(0.3)	-
At 31.03.14/31.12.13	<u>89.8</u>	<u>95.5</u>
Less: Non-current portion	(5.9)	(6.9)
Current portion	<u>83.9</u>	<u>88.6</u>

23. Borrowings

	<u>31.03.14</u>	<u>31.12.13</u>
	RM mil	RM mil
Current		
- secured	1,453	1,534
- unsecured	699	687
	<u>2,152</u>	<u>2,221</u>
Non-current		
- secured	19,007	18,362
- unsecured	3,552	3,395
	<u>22,559</u>	<u>21,757</u>
Total borrowings	<u>24,711</u>	<u>23,978</u>

The currency exposure profile of borrowings for the Group are as follows:

Functional currency (RM)	<u>31.03.14</u>	<u>31.12.13</u>
	RM mil	RM mil
USD	514	286
AUD	1,984	1,938
RM	22,213	21,754
	<u>24,711</u>	<u>23,978</u>

24. Realised and unrealised profit/losses disclosure

The retained earnings as at 31 March 2014 is analysed as follows:

	As at 31.03.14 RM mil	As at 31.12.13 RM mil
Total retained earnings of the Company and its subsidiaries:		
- Realised	2,770.7	2,787.5
- Unrealised	278.8	261.8
	3,049.5	3,049.3
Total retained earnings from associated companies:		
- Realised	102.8	100.2
- Unrealised	(28.4)	(28.4)
	74.4	71.8
Total retained earnings from joint ventures:		
- Realised	17.9	15.5
- Unrealised	(25.0)	(25.0)
	(7.1)	(9.5)
Total retained earnings before consolidation adjustment	3,116.8	3,111.6
Less: Consolidation adjustment	(62.2)	(80.0)
Total retained earnings as per interim	3,054.6	3,031.6

25. Changes in material litigation

- a) Following the award in the arbitration ("Award") involving the MMC Engineering Group Berhad - Gamuda Berhad Joint Venture ("the JV") and Wayss & Freytag (Malaysia) Sdn Bhd, the JV's application to the High Court seeking to set aside the Award on determination of questions of law which was originally fixed for decision on 2 May 2014 has been deferred to another date (to be notified to the parties by the High Court).
- b) Hearing of the arbitral proceedings involving Pelabuhan Tanjung Pelepas Sdn Bhd ("PTP") and Pioneer Smith (M) Sdn Bhd ("Pioneer Smith"), commenced on 6 May 2014. In the

proceedings, PTP claimed for inter alia damages in the region of RM2.5 million, being unpaid rentals and outstanding charges, interest and costs. Pioneer Smith counterclaimed against PTP, claiming over RM130 million for loss of profits and loss of contracts, as well as other claims for trespass and nuisance, together with interest and costs.

PTP's solicitors are of the view that PTP has a good chance of succeeding in the arbitration and that there is no merit in Pioneer Smith's counterclaim.

Save as disclosed above, there is 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 financial statements for the financial year ended 31 December 2013.

26. Dividend Payable

No interim dividend has been recommended by the Directors for the current quarter ended 31 March 2014 (31 March 2013: Nil).

27. Earnings per ordinary share

Basic/diluted Earnings Per Ordinary Share

	3 months	3 months	Cumulative	Cumulative
	ended	ended	ended	ended
	<u>31.03.14</u>	<u>31.03.13</u>	<u>31.03.14</u>	<u>31.03.13</u>
Profit for the period attributable to owners of the Parent (RM mil)	24	9	24	9
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)	0.8	0.3	0.8	0.3
Diluted earnings per ordinary share (sen)	0.8	0.3	0.8	0.3

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 28 May 2014.

By Order of the Board
 Ahmad Aznan Mohd Nawawi (L.S. No.0009371)
 Sazlin Ayesha Abdul Samat (L.S. No.0008112)
 Secretaries
 Kuala Lumpur
 28 May 2014