

Consolidated Condensed Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
for the period ended 30 September 2012

	3 months <u>ended</u> <u>30.09.12</u> RM'000 (Unaudited)	3 months <u>ended</u> <u>30.09.11</u> RM'000 (Restated)	Cumulative <u>9 months ended</u> <u>30.09.12</u> RM'000 (Unaudited)	Cumulative <u>9 months ended</u> <u>30.09.11</u> RM'000 (Restated)
Revenue	1,907,890	2,423,794	6,581,965	6,924,917
Cost of sales	(1,290,656)	(1,775,324)	(4,704,999)	(4,846,987)
Gross profit	<u>617,234</u>	<u>648,470</u>	<u>1,876,966</u>	<u>2,077,930</u>
Other Operating Income				
Items relating to investments	1	-	1,011,546	6,621
Others operating income	45,862	62,611	221,643	176,790
Distribution costs	(34)	(5,472)	(301)	(5,906)
Administrative expenses	(154,651)	(153,096)	(520,671)	(480,977)
Other operating expenses	(70,583)	(48,236)	(281,944)	(191,682)
Finance cost	(209,478)	(335,981)	(865,553)	(1,017,791)
Share of results of associated companies and jointly controlled entities	<u>27,604</u>	<u>51,773</u>	<u>142,120</u>	<u>58,235</u>
Profit before zakat and taxation	<u>255,955</u>	<u>220,069</u>	<u>1,583,806</u>	<u>623,220</u>
Zakat expenses	-	-	(3,360)	-
Tax expenses	(81,254)	(49,047)	(202,177)	(162,736)
Profit for the period	<u>174,701</u>	<u>171,022</u>	<u>1,378,269</u>	<u>460,484</u>
Other comprehensive income				
Available-for-sale financial assets				
- fair value gains	(9,132)	(9,074)	(19,183)	21,883
Movement in associate's capital reserve	2,720	-	(4,166)	4,673
Fair value adjustment	(15,733)	-	(15,733)	-
Currency translation differences	(13,756)	18,346	(7,870)	14,279
Other comprehensive income for the period	<u>(35,901)</u>	<u>9,272</u>	<u>(46,952)</u>	<u>40,835</u>
Total comprehensive income for the period	<u>138,800</u>	<u>180,294</u>	<u>1,331,317</u>	<u>501,319</u>
Profit attributable to:				
Owners of the Parent	60,884	66,553	842,311	140,806
Non-controlling interest	113,817	104,469	535,958	319,678
	<u>174,701</u>	<u>171,022</u>	<u>1,378,269</u>	<u>460,484</u>
Total comprehensive income attributable to:				
Owners of the Parent	24,983	75,825	795,359	181,641
Non-controlling interest	113,817	104,469	535,958	319,678
	<u>138,800</u>	<u>180,294</u>	<u>1,331,317</u>	<u>501,319</u>
Earnings per share for profit attributable to the owners of the Parent				
Basic (sen)	2.0	2.2	27.7	4.6
Diluted (sen)	2.0	2.2	27.7	4.6

The Consolidated Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**Consolidated Condensed Statement of Financial Position
As at 30 September 2012**

	As at 30.09.12 RM' 000 (Unaudited)	As at 31.12.11 RM' 000 (Restated)	As at 01.01.11 RM' 000 (Restated)
Non-Current Assets			
Property, plant and equipment	16,254,505	16,029,865	16,699,574
Investment properties	31,523	32,329	30,778
Prepaid lease payments	-	18,835	19,238
Investments in associates	2,838,583	1,463,120	1,266,913
Investment in jointly controlled entities	237,445	246,249	219,281
Available-for-sale financial assets	8,052	8,573	8,412
Property development expenditure	2,186,384	2,128,408	1,917,196
Other assets	2,940	3,307	4,214
Intangible assets	7,270,709	7,577,842	7,986,159
Deferred income tax assets	1,232,122	1,188,910	1,121,012
	<u>30,062,263</u>	<u>28,697,438</u>	<u>29,272,777</u>
Current Assets			
Inventories	678,873	719,906	585,289
Assets held for sale	252	-	103
Trade and other receivables	2,292,697	2,327,958	2,227,814
Current income tax recoverable	287,127	188,040	337,014
Amount due from holding company	5,518	5,518	5,518
Available-for-sale financial assets	91,167	85,588	81,868
Deposits, bank and cash balances	6,513,577	4,579,556	4,062,543
	<u>9,869,211</u>	<u>7,906,566</u>	<u>7,300,149</u>
	<u>39,931,474</u>	<u>36,604,004</u>	<u>36,572,926</u>
Equity			
Equity attributable to owners of the Parent			
Share capital	304,506	304,506	304,506
Reserves	6,768,584	5,966,536	5,731,693
	<u>7,073,090</u>	<u>6,271,042</u>	<u>6,036,199</u>
Non-controlling interest	3,011,555	3,299,047	3,119,375
Total equity	<u>10,084,645</u>	<u>9,570,089</u>	<u>9,155,574</u>
Non-Current Liabilities			
Redeemable preference shares	143,824	140,620	136,467
Borrowings	17,724,308	15,533,549	15,974,676
Land lease received in advance	248,490	158,433	162,264
Derivative financial instruments	173,966	-	-
Provision for retirement benefits	61,209	58,713	53,748
Deferred income	2,438,205	2,245,572	1,869,382
Deferred income tax liabilities	3,423,081	3,532,379	3,511,746
Other payables	31,707	18,303	24,654
	<u>24,244,790</u>	<u>21,687,569</u>	<u>21,732,937</u>
Current Liabilities			
Borrowings	4,037,324	3,443,415	3,991,739
Trade and other payables	1,513,965	1,871,226	1,626,216
Current income tax liabilities	50,750	31,705	40,409
Redeemable convertible unsecured loan stocks	-	-	26,051
	<u>5,602,039</u>	<u>5,346,346</u>	<u>5,684,415</u>
Total liabilities	<u>29,846,829</u>	<u>27,033,915</u>	<u>27,417,352</u>
Total equity and liabilities	<u>39,931,474</u>	<u>36,604,004</u>	<u>36,572,926</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	232	206	198

The Consolidated Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

Consolidated Condensed Statement of Changes in Equity for the period ended 30 September 2012

	Attributable to owners of the Parent Non-distributable					Distributable				Non-controlling interests	Total Equity	
	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	RM'000	RM'000
At 1 January 2012	304,506	2,039,770	(22,659)	1,219,271	117,684	-	77,515	374,503	2,109,389	6,219,979	3,249,986	9,469,965
Effects of changes in accounting policies - IC Int. 4	-	-	-	-	-	-	-	-	51,063	51,063	49,061	100,124
As restated	304,506	2,039,770	(22,659)	1,219,271	117,684	-	77,515	374,503	2,160,452	6,271,042	3,299,047	9,570,089
Net profit for the financial year	-	-	-	-	-	-	-	-	842,311	842,311	535,958	1,378,269
Other comprehensive (loss) / income	-	-	(7,870)	-	(19,183)	(15,733)	(4,166)	-	-	(46,952)	-	(46,952)
Total comprehensive income for the year	-	-	(7,870)	-	(19,183)	(15,733)	(4,166)	-	842,311	795,359	535,958	1,331,317
Transfer to capital reserve	-	-	-	-	-	-	-	1,150	(1,150)	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible subordinated loans	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	128,491	128,491	(566,528)	(438,037)
Dividend	-	-	-	-	-	-	-	-	(121,802)	(121,802)	(256,922)	(378,724)
At 30 September 2012	<u>304,506</u>	<u>2,039,770</u>	<u>(30,529)</u>	<u>1,219,271</u>	<u>98,501</u>	<u>(15,733)</u>	<u>73,349</u>	<u>375,653</u>	<u>3,008,302</u>	<u>7,073,090</u>	<u>3,011,555</u>	<u>10,084,645</u>

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

The Consolidated Condensed Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

Consolidated Condensed Statement of Changes in Equity for the period ended 30 September 2012

	Attributable to owners of the Parent						Capital* Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling 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 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
Effects of changes in accounting policies - IC Int. 4	-	-	-	-	-	-	-	(558,073)	(558,073)	(689,581)	(1,247,654)
As restated	304,506	2,039,770	(31,051)	1,219,271	107,977	83,264	375,864	1,936,598	6,036,199	3,119,375	9,155,574
Net profit for the financial year	-	-	-	-	-	-	-	332,573	332,573	496,701	829,274
Other comprehensive income / (loss)	-	-	8,392	-	9,707	(5,749)	-	-	12,350	-	12,350
Total comprehensive income for the year	-	-	8,392	-	9,707	(5,749)	-	332,573	344,923	496,701	841,624
Transfer to capital reserve	-	-	-	-	-	-	2,300	(2,300)	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks	-	-	-	-	-	-	(3,661)	158	(3,503)	30,139	26,636
Disposal of investments	-	-	-	-	-	-	-	-	-	1,701	1,701
Dividend	-	-	-	-	-	-	-	(106,577)	(106,577)	(348,869)	(455,446)
At 31 December 2011	304,506	2,039,770	(22,659)	1,219,271	117,684	77,515	374,503	2,160,452	6,271,042	3,299,047	9,570,089

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

The Consolidated Condensed Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**Unaudited Consolidated Condensed Statement of Cash Flows
for the period ended 30 September 2012**

	9 months ended 30.09.12 RM'000 (Unaudited)	9 months ended 30.09.11 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	1,583,806	623,220
Adjustments for:		
Non-cash items	(195,198)	680,249
Interest expense	865,553	1,017,791
Interest income	(141,711)	(149,559)
Dividend income	(930)	(744)
Share of results in associates and jointly controlled entities	(142,120)	(58,235)
Operating profit before working capital changes	1,969,400	2,112,722
Changes in working capital:		
Net change in current assets	(127,768)	(228,012)
Net change in current liabilities	125,441	426,389
Cash generated from operations	1,967,073	2,311,099
Designated account and pledged deposits	16,381	(494)
Deferred income received	-	247,120
Tax paid	(247,833)	(53,606)
Zakat paid	(3,360)	-
Land lease received in advance	98,264	4,578
Retirement benefits paid	(406)	1,988
Net cash generated from operating activities	1,830,119	2,510,685
Cash flows from investing activities		
Net cash inflow from disposals of subsidiaries	81,080	329
Net cash inflow from disposal of associates	75,568	-
Net cash outflow from acquisition of associates	(347,563)	-
New investment in a jointly controlled entity	(9,875)	(125)
Purchase of property, plant and equipment	(1,697,170)	(138,229)
Purchase of investment property	-	(63)
Redemption of RULS in a subsidiary	12,425	22,021
Proceeds from sale of property, plant and equipment	304	511
Proceeds from sale of other non current asset	-	6,859
Additional property development expenditure	(57,976)	(31,206)
Interest received	141,711	149,559
Dividend received	91,473	77,261
Distribution from jointly controlled entity	70,000	43,000
Net cash (used in) / generated from investing activities	(1,640,023)	129,917
Cash flows from financing activities		
Drawdown of term loans	9,374,176	515,008
Government grant received	247,638	52,777
Repayment of term loans	(6,596,254)	(987,378)
Dividend paid	(121,802)	(106,577)
Dividend paid to minority shareholder	(256,922)	(328,719)
Interest paid	(865,553)	(1,017,791)
Net cash generated from / (used in) financing activities	1,781,283	(1,872,680)

The Consolidated Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**Unaudited Consolidated Condensed Statement of Cash Flows
for the period ended 30 September 2012 (Continued)**

	9 months ended 30.09.12 RM'000 (Unaudited)	9 months ended 30.09.11 RM'000 (Unaudited)
Net increase in cash and cash equivalents	1,971,379	767,922
Effects of changes in exchange rate	(23,603)	14,279
Cash & Cash Equivalents at beginning of financial year	<u>4,563,066</u>	<u>4,039,090</u>
Cash and cash equivalents at end of financial year	<u>6,510,842</u>	<u>4,821,291</u>
Cash and cash equivalents comprise:		
Deposits and bank balances	6,513,577	4,850,927
Designated accounts	(1)	(1)
Pledge deposits	-	(16,459)
Bank overdrafts	<u>(2,734)</u>	<u>(13,176)</u>
	<u>6,510,842</u>	<u>4,821,291</u>

The Consolidated Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

Notes to the interim financial statements

1. Basis of preparation

The consolidated condensed interim financial information for the 9 months ended 30 September 2012 has been prepared in accordance with MFRS 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 financial year ended 31 December 2011, which have been prepared in accordance with the Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965.

Since the previous annual audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the MFRSs.

These consolidated condensed interim financial statements are the Group's first MFRS consolidated condensed interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied. The transition from FRS to MFRS has not had a material impact on the financial performance and financial position of the Group.

2. Adoption of a new accounting policy

During the quarter ended 30 September 2012, a subsidiary of the Company entered into certain financing arrangements to hedge its exposures to interest rates and foreign exchange fluctuations. Pursuant to the requirements of MFRS 139 Financial Instruments: Recognition and Measurement, the Group has now adopted the accounting policy on cash flow hedge as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain and loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss.

Subsequently, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognized in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognized in other comprehensive income that will

not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

The adoption of the new accounting policy does not have any significant financial impact to the Group for the financial period ending 30 September 2012.

3. Prior year adjustments

The Group has adjusted the comparative figures in accordance with the finalisation of the adoption of IC Interpretation 4: Determining Whether an Arrangement contains a Lease in an associate.

IC Interpretation 4: Determining whether an Arrangement contains a Lease, prescribes that the determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement. It requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific assets and the arrangements conveys a right to use such assets.

The adoption of IC Interpretation 4 has resulted in the power purchase agreements of an associate being accounted for as finance lease.

The following tables disclose the adjustments that have been made to the comparative figures in accordance with the above.

<u>Group</u>	Previously <u>Reported</u> RM' 000	<u>IC Int.4</u> RM' 000	As <u>restated</u> RM' 000
Increase/(Decrease)			
<u>Balance Sheet</u>			
Investment in associates	1,362,996	100,124	1,463,120
<u>Income Statement</u>			
Cost of sales	(6,532,436)	35,193	(6,497,243)
Other operating expenses	(257,189)	(35,193)	(292,382)
Share of results of associates	91,217	(3,750)	87,467
Net profit for the year	833,023	(3,750)	829,273
Profit attributable to			
equity holders of the Parent	334,485	(1,913)	332,572
Non-controlling interests	498,538	(1,837)	496,701
Earnings per ordinary shares:			
Basic	11.0	(0.1)	10.9
Diluted	11.0	(0.1)	10.9
<u>Statement of changes in equity</u>			
Retained earnings	2,109,389	51,063	2,160,452
Non-controlling interests	3,249,986	49,061	3,299,047

4. Audit qualification

The report of the auditors on the Group's financial statements for the year ended 31 December 2011 was not subject to any qualification.

5. Seasonal or cyclical factors

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

6. 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 except as disclosed in Note 18.

7. 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.

8. Debt and equity securities

There was no material issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter ended 30 September 2012.

9. Dividend paid

In respect of the financial year ended 31 December 2011, as reported in the Directors' report during that financial year, a final single-tier dividend of 4.0 sen per share on the 3,045,058,552 ordinary shares amounting to RM121,802,342, was paid on 28 June 2012.

10. Segment Reporting

The Group's segmental report for the financial period ended 30 September 2012 is as follows:

	Transport & 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	1,123	1,023	4,318	102	69	26	6,661
Inter-segment	(10)	-	-	-	(69)	-	(79)
External	1,113	1,023	4,318	102	-	26	6,582
<u>Results</u>							
Profit / (Loss) before taxation	215	110	544	3	(3)	715	1,584
Finance cost	100	-	604	-	-	162	866
Depreciation and amortisation	170	21	630	5	-	23	849
Earnings Before Interest, Tax, Depreciation and Amortisation	485	131	1,778	8	(3)	900	3,299

The Group's segmental report for the corresponding financial period ended 30 September 2011 is as follows:

	Transport & 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	1,034	1,550	4,255	77	73	29	7,018
Inter-segment	(18)	(3)	-	-	(72)	-	(93)
External	1,016	1,547	4,255	77	1	29	6,925
<u>Results</u>							
Profit / (Loss) before taxation	223	217	371	51	(2)	(237)	623
Finance cost	94	-	764	3	-	157	1,018
Depreciation and amortisation	174	34	639	5	-	40	892
Earnings Before Interest, Tax, Depreciation and Amortisation	491	251	1,774	59	(2)	(40)	2,533

11. 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 MFRS 116.

12. Events subsequent to the balance sheet date

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

13. Changes in composition of the Group

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

14. 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 2011 except for the following bank guarantees issued to third parties:

	30.9.12	31.12.11
	RM million	RM million
Subsidiaries	341.4	1,018.3
	<u> </u>	<u> </u>

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

15. Capital commitments

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

	30.9.12
	RM million
Property, plant and equipment:	
Authorised and contracted for	3,592.8
Authorised but not contracted for	367.5
	<u>3,960.3</u>

16. Related party transactions

Significant transactions in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2011 are as follows:

	Financial period ended 30.9.2012 RM'000
Companies subject to common significant influence	
- Operation and maintenance fee expense	234,104
- Operation and maintenance subcontract fee income	110,300
- Rental expense	1,462
Associated companies	
- Interest income on unsecured subordinated loan notes	44,063

Additional information required by the Bursa Securities Listing Requirements

17. Review of performance

The Group's revenue for the nine-month financial period ended 30 September 2012 was RM6.6 billion compared with RM6.9 billion in the corresponding period in 2011, representing a decrease of 5.0%.

The profit before zakat and taxation for the nine-month financial period ended 30 September 2012 was RM1,583.8 million compared with RM623.2 million in the corresponding period in 2011, representing an increase of 154.1%.

Energy & Utilities

Energy & Utilities segment's revenue for the nine-month financial period ended 30 September 2012 was RM5.4 billion compared with RM5.9 billion in the corresponding period in 2011, representing a decrease of 7.4% mainly due to reduction in shareholding of Gas Malaysia Berhad in June 2012 despite higher energy dispatch from Malakoff.

The profit before zakat and taxation for the nine-month financial period ended 30 September 2012 was RM657.0 million compared with RM638.6 million in the corresponding period in 2011, representing an increase of 2.9%.

Higher profits from the Energy & Utilities segment was mainly due to higher dispatch factor from Malakoff power plants, gain on disposal of Malakoff Jordan Generation Limited and lower finance charges from repayment of borrowings and capitalisation of interest cost in relation to Tanjung Bin power plant expansion. Total borrowings have however increased compared to

the previous period in relation to the new loans secured for purposes of financing the Tanjung Bin power plant expansion.

This was however, offset by lower margins (margin per mmBtu of gas sold has decreased by 13.7%) on the new gas tariff imposed on Gas Malaysia Berhad (effective June 2011) and lower contribution from Gas Malaysia Berhad following its listing on the Main Market of Bursa Malaysia on 11 June 2012.

Transport & Logistics

Transport & Logistics segment's revenue for the nine-month financial period ended 30 September 2012 was RM1,112.5 million compared with RM1,015.9 million in the corresponding period in 2011, representing an increase of 9.5% mainly due to higher throughput from both PTP and JPB.

The profit before zakat and taxation for the nine-month financial period ended 30 September 2012 was RM215.0 million compared with RM222.6 million in the corresponding period in 2011, representing a decrease of 3.4%. This was mainly due to higher unit operating costs compared to the previous period.

Engineering & Construction

The loss before zakat and taxation for the nine-month financial period ended 30 September 2012 was RM3.0 million compared with a loss of RM2.1 million in the corresponding period in 2011. This was mainly contributed by additional cost incurred in Double Track Project resulting from additional requirement from local authorities offset by the lower losses registered from our associate, Zelan Berhad.

Investment Holding, Corporate & Others

Revenue for the nine-month financial period ended 30 September 2012 was RM26.4 million compared with RM29.3 million in the corresponding period in 2011, representing a decrease of 9.9%.

The profit before zakat and taxation for the nine-month financial period ended 30 September 2012 was RM714.6 million compared with a loss of RM236.4 million in the corresponding period in 2011. This was mainly due to the gain on disposal (in relation to the listing) of 10.9% stake in GMB on the Main Market of Bursa Malaysia and the fair valuation of the remaining non-controlling interest to market price as required by MFRS 127 para 34(d). This was slightly offset by a reassessment of investment in the Jazan Economic City project.

18. Variation of results against preceding quarter

The Group recorded a profit before zakat and taxation of RM256.0 million in the current quarter as compared to RM1,146.8 million in the preceding quarter mainly due to the absence of gain on listing of GMB on the Main Market of Bursa Malaysia and fair valuation gain of the remaining non-controlling interest retained to market price.

19. Current prospects

The Board expects the Group's financial results for the current financial year to improve against the previous year despite the uncertainties facing the global economy.

Malakoff Corporation Berhad ("MCB") is expected to perform better from higher energy dispatch and successful implementation of its debts restructuring.

The Board remains optimistic on the Transport & Logistics segment as the transshipment and hinterland throughput volume is expected to remain strong. Transshipment which is predominantly at PTP is expected to benefit from the shipping routing strategies of its customers whilst JPB's throughput volume will grow in line with the expected improved economic activities in Johor. In addition, JPB's results are also expected to be better following the increase in tariff rates for certain port services.

The Engineering & Construction segment is expected to contribute positively following the commencement of the Klang Valley My Rapid Transit Project and continuous progress of the Double Tracking Project.

20. Profit before zakat and taxation

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

	Current Quarter		Financial Period	
	Ended		Ended	
	30.9.12	30.9.11	30.9.12	30.9.11
	RM' 000	RM' 000	RM' 000	RM' 000
Interest income	(38,460)	(51,865)	(141,711)	(149,559)
Depreciation	177,046	173,183	541,428	563,420
Amortisation	102,431	124,682	307,312	328,844
Allowance for impaired receivables	1,099	6,770	3,697	16,073
Reversal of allowance for impaired receivables	152	-	2	-
Impairment loss on:				
- property, plant and equipment	-	-	-	30,000
- cost of investment in associate	-	-	1,994	-
Net foreign exchange loss	4,261	-	3,596	-
Gain on disposal on:				
- subsidiary	-	-	(258,030)	(6,621)
- associate	-	-	(26,700)	-
- property, plant and equipment	(17)	(3,825)	(303)	(4,068)
- other non-current assets	179	-	179	(1,078)
Fair value gain for investment in associate	-	-	(753,515)	-

21. Profit forecast or profit guarantee

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

22. Tax expense

	3 months ended 30.9.12	3 months ended 30.9.11	Cumulative 9 months ended 30.9.12	Cumulative 9 months ended 30.9.11
	RM mil	RM mil	RM mil	RM mil
Current tax expense				
- current	(49)	(54)	(179)	(158)
- prior year	1	-	1	(2)
Deferred tax expense				
- current	(33)	5	(26)	(3)
- prior year	-	-	2	-
	<u>(81)</u>	<u>(49)</u>	<u>(202)</u>	<u>(163)</u>

The Group's effective tax rate for the financial period is lower than the statutory income tax rate in Malaysia mainly due to gain on listing of GMB on the Main Market of Bursa Malaysia and fair valuation of the remaining non-controlling interest retained to market price. This however, is offset by the interest restriction as an effect of the single tier tax system whereby there is lower taxable dividend available to be offset against interest expense.

23. Status of corporate proposals announced

No other corporate proposals were announced up to the date of this announcement except for:-

- a) On 9 July 2012, an announcement was made by MMC in relation to its proposal to privatise Aliran Ihsan Resources Berhad ("AIRB") via a proposed selective capital reduction and repayment exercise under Section 64 of the Companies Act, 1965 ("Proposed SCR"). Subsequent to the current quarter, a special resolution pertaining to the Proposed SCR has been

approved by AIRB's shareholders (save for MMC Corporation Berhad, being an interested shareholder) during the Extraordinary General Meeting ("EGM") of AIRB held on 29 November 2012. For details of the Proposed SCR, please refer to Bursa Malaysia's website.

- b) Subsequent to the current quarter, on 18 October 2012, an announcement was made by MMC in relation to the conditional asset sale agreement ("ASA") entered into between Sterling Asia, a wholly-owned subsidiary of Malakoff Power Berhad (which in turn is a wholly-owned subsidiary of Malakoff Corporation Berhad, a 51%-owned subsidiary of MMC) and HICOM Power Sdn Bhd ("HICOM Power"), a wholly-owned subsidiary of DRB-HICOM Berhad, to undertake the proposed acquisition of the entire business, including all of the assets and liabilities of HICOM Power (save for the Excluded Assets and Excluded Liabilities), from HICOM Power, for a cash consideration of RM575 million, subject to the terms and conditions contained in the ASA. The circular (together with the independent advice letter) has been despatched to the shareholders on 30 November 2012 and an EGM is scheduled on 14 December 2012. For details of the Proposed Acquisition, please refer to Bursa Malaysia's website.

24. Borrowings

	<u>30.09.12</u>	<u>31.12.11</u>
	RM mil	RM mil
Current		
- secured	3,649	3,114
- unsecured	<u>388</u>	<u>329</u>
	<u>4,037</u>	<u>3,443</u>
Non-current		
- Term loans - secured	2,782	3,796
- ABBA Bonds - secured	250	250
- Al-Istisna Bonds - secured	193	257
- Istisna Medium Term Notes - secured	-	3,140
- Sukuk Medium Term Notes - secured	4,631	5,300
- Islamic Medium Term Notes - secured	4,366	854
- Junior Sukuk - secured	-	1,749
- Junior Sukuk Musharakah - secured	1,800	-
- Junior Term Loan Facility - secured	290	-
- Senior Sukuk Murabahah - secured	3,290	-
- Redeemable Unsecured		
Loan Stock - unsecured	61	119
- Government Loan - unsecured	<u>61</u>	<u>69</u>
	<u>17,724</u>	<u>15,534</u>
- Redeemable preference shares	<u>144</u>	<u>141</u>

25. Realised and unrealised profit/losses disclosure

The retained earnings as at 30 September 2012 is analysed as follows:

	As at 30.9.12 RM' 000
Total retained earnings of the Company and its subsidiaries:	
- Realised	2,861,286
- Unrealised	194,734
	<u>3,056,020</u>
Total retained earnings from associated companies:	
- Realised	84,916
- Unrealised	(28,371)
	<u>56,545</u>
Total retained earnings from jointly controlled entities:	
- Realised	11,162
- Unrealised	(24,983)
	<u>(13,821)</u>
Total retained earnings before consolidation adjustment	<u>3,098,744</u>
Less: Consolidation adjustment	(90,442)
Total retained earnings as per consolidated financial statements	<u><u>3,008,302</u></u>

26. Changes in material litigation

- a) Prai Power Sdn Bhd ("PPSB"), a wholly-owned subsidiary of Malakoff Corporation Berhad, MMC's 51%-owned subsidiary, had on 7 June 2012 signed a settlement agreement ("Settlement Agreement") with Allianz General Insurance Company (Malaysia) Berhad and Sumitomo Corporation ("Sumitomo") (collectively referred to as "the Parties").

The Settlement Agreement substantially sets out the Parties' agreement to resolve and settle in full the dispute between them in the arbitration proceedings, on the

terms and conditions of the Settlement Agreement. As a result of the execution of the Settlement Agreement, PPSB as the claimant has agreed to fully withdraw its claim in the arbitration proceedings against Sumitomo.

- b) On 22 December 2011, the High Court delivered its decision in an action by Jurutera Perunding Daya Sdn Bhd and Pengurusan Projek Daya Sdn Bhd (collectively known as "Daya Group") against the Company and a subsidiary, Projek Lebuhraya Timur Sdn Bhd ("Pelita") for, among others, payment of RM49.9 million, for alleged work undertaken, in respect of the privatization of the East Coast Expressway.

The High Court dismissed the Daya Group's claim against the Company and allowed the Company's counterclaim. The High Court however, allowed the Daya Group's claim on liability only against Pelita and dismissed Pelita's counterclaim. The quantum of damages, if any, will be assessed in separate proceedings.

Both the Daya Group and Pelita appealed against the High Court's decision on 9 January 2012 and 19 January 2012 respectively. Based on the advice by the solicitors acting for the Company and Pelita, the Directors are of the view that both the Company and Pelita have good chances to have the decision in their favour during appeal.

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 balance sheet date as at 31 December 2011.

27. Dividend Payable

No dividend has been recommended by the Directors for the current financial period ended 30 September 2012. No dividend was declared by the Directors for the corresponding financial period ended 30 September 2011.

28. Earnings per ordinary share

Basic/Diluted Earnings Per Ordinary Share

	3 months ended <u>30.09.12</u>	3 months ended <u>30.09.11</u>	Cumulative 9 months ended <u>30.09.12</u>	Cumulative 9 months ended <u>30.09.11</u>
Profit for the period attributable to owners of the Parent (RM mil)	61	66	842	141
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)	2.0	2.2	27.7	4.6
Diluted earnings per ordinary share (sen)	2.0	2.2	27.7	4.6

29. 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 30 November 2012.

By Order of the Board
Ahmad Aznan Mohd Nawawi (L.S. No.0009371)
Sazlin Ayesha Abdul Samat (L.S. No.0008112)
Secretaries
Kuala Lumpur
30 November 2012