

Consolidated Condensed Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
for the period ended 30 September 2013

	<u>3 months</u> <u>ended</u> <u>30.9.13</u> RM'000 (Unaudited)	<u>3 months</u> <u>ended</u> <u>30.9.12</u> RM'000	<u>Cumulative</u> <u>9 months ended</u> <u>30.9.13</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>9 months ended</u> <u>30.9.12</u> RM'000
Revenue	1,728,611	1,907,890	4,967,826	6,581,965
Cost of sales	(1,170,365)	(1,308,828)	(3,463,145)	(4,704,999)
Gross profit	<u>558,246</u>	<u>599,062</u>	<u>1,504,681</u>	<u>1,876,966</u>
Other Operating Income				
Items relating to investments	-	1	-	1,011,546
Other operating income	68,819	45,862	190,476	221,643
Distribution costs	(163)	(301)	(163)	(301)
Administrative expenses	(177,617)	(154,651)	(547,658)	(520,671)
Other operating expenses	(46,172)	(52,144)	(161,883)	(281,944)
Finance cost	(319,186)	(209,478)	(845,633)	(865,553)
Share of results of associated companies and jointly controlled entities	<u>84,567</u>	<u>27,604</u>	<u>200,209</u>	<u>142,120</u>
Profit before zakat and taxation	<u>168,494</u>	<u>255,955</u>	<u>340,029</u>	<u>1,583,806</u>
Zakat expenses	(1,400)	-	(1,400)	(3,360)
Tax expenses	43,266	(81,254)	34,457	(202,177)
Profit for the period	<u>210,360</u>	<u>174,701</u>	<u>373,086</u>	<u>1,378,269</u>
Other comprehensive income				
Available-for-sale financial assets				
- fair value (losses)/gains	1,611	(9,132)	13,691	(19,183)
Movement in associate's capital reserve	1,341	2,720	1,705	(4,166)
Fair value adjustment	99,441	(15,733)	157,014	(15,733)
Currency translation differences	12,172	(13,756)	29,698	(7,870)
Other comprehensive income for the period	<u>114,565</u>	<u>(35,901)</u>	<u>202,108</u>	<u>(46,952)</u>
Total comprehensive income for the period	<u>324,925</u>	<u>138,800</u>	<u>575,194</u>	<u>1,331,317</u>
Profit attributable to:				
Owners of the Parent	135,018	60,884	187,701	842,311
Non-controlling interest	75,342	113,817	185,385	535,958
	<u>210,360</u>	<u>174,701</u>	<u>373,086</u>	<u>1,378,269</u>
Total comprehensive income attributable to:				
Owners of the Parent	249,583	24,983	389,809	795,359
Non-controlling interest	75,342	113,817	185,385	535,958
	<u>324,925</u>	<u>138,800</u>	<u>575,194</u>	<u>1,331,317</u>
Earnings per share for profit attributable to the owners of the Parent				
Basic (sen)	4.4	2.0	6.2	27.7
Diluted (sen)	4.4	2.0	6.2	27.7

The Consolidated Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**Consolidated Condensed Statement of Financial Position
As at 30 September 2013**

	As at 30.9.13 RM' 000 (Unaudited)	As at 31.12.12 RM' 000 (Restated)	As at 01.01.12 RM' 000 (Restated)
Non-Current Assets			
Property, plant and equipment	18,285,336	16,748,579	16,343,536
Finance lease receivables	2,092,483	-	-
Investment properties	30,871	31,391	32,329
Prepaid lease payments	-	-	18,835
Investments in associates	2,783,284	2,804,490	1,463,122
Investment in jointly controlled entities	313,474	279,086	246,249
Available-for-sale financial assets	6,947	7,706	8,573
Property development expenditure	2,293,238	2,225,519	2,128,408
Other receivables	132,420	142,266	3,305
Intangible assets	7,387,946	7,714,584	7,577,842
Deferred tax assets	1,323,495	1,249,280	1,188,910
	<u>34,649,494</u>	<u>31,202,901</u>	<u>29,011,109</u>
Current Assets			
Inventories	479,584	507,176	406,235
Derivative assets	7,376	-	-
Trade and other receivables	2,508,912	2,134,699	2,327,958
Current income tax recoverable	324,617	237,186	188,040
Amount due from holding company	-	2,518	5,518
Available-for-sale financial assets	88,389	88,576	85,588
Deposits, bank and cash balances	4,523,262	6,161,698	4,579,556
	<u>7,932,140</u>	<u>9,131,853</u>	<u>7,592,895</u>
	<u>42,581,634</u>	<u>40,334,754</u>	<u>36,604,004</u>
Equity			
Equity attributable to owners of the Parent			
Share capital	304,506	304,506	304,506
Reserves	6,921,317	6,740,578	5,966,536
	<u>7,225,823</u>	<u>7,045,084</u>	<u>6,271,042</u>
Non-controlling interest	2,959,288	3,184,984	3,299,047
Total equity	<u>10,185,111</u>	<u>10,230,068</u>	<u>9,570,089</u>
Non-Current Liabilities			
Redeemable preference shares	107,581	127,079	140,620
Borrowings	21,667,918	18,000,986	15,533,549
Land lease received in advance	288,161	296,975	158,433
Derivative financial instruments	114,843	162,750	-
Provision for retirement benefits	51,955	62,138	58,713
Deferred income	2,729,865	2,524,477	2,245,572
Deferred tax liabilities	3,392,825	3,402,617	3,532,379
Other payables	26,562	13,866	18,303
	<u>28,379,710</u>	<u>24,590,888</u>	<u>21,687,569</u>
Current Liabilities			
Borrowings	2,335,033	3,374,412	3,443,415
Trade and other payables	1,609,613	2,037,217	1,830,109
Deferred income	57,775	50,503	41,117
Current income tax liabilities	14,392	51,666	31,705
	<u>4,016,813</u>	<u>5,513,798</u>	<u>5,346,346</u>
Total liabilities	<u>32,396,523</u>	<u>30,104,686</u>	<u>27,033,915</u>
Total equity and liabilities	<u>42,581,634</u>	<u>40,334,754</u>	<u>36,604,004</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	237	231	206

The Consolidated Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

Consolidated Condensed Statement of Changes in Equity for the period ended 30 September 2013

	Attributable to owners of the Parent Non-distributable						Distributable			Total RM'000	Non-controlling interests RM'000	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			
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 year	-	-	-	-	-	-	-	-	187,701	187,701	185,385	373,086
Other comprehensive (loss) / income	-	-	29,698	-	13,691	157,014	1,705	-	-	202,108	-	202,108
Total comprehensive income for the year	-	-	29,698	-	13,691	157,014	1,705	-	187,701	389,809	185,385	575,194
Transfer to capital reserve	-	-	-	-	-	-	-	1,725	(1,725)	-	-	-
Increase in equity interest in an existing sub:	-	-	-	-	-	-	(72,042)	-	-	(72,042)	(109,079)	(181,121)
Dividend	-	-	-	-	-	-	-	-	(137,028)	(137,028)	(302,002)	(439,030)
At 30 September 2013	304,506	2,039,770	(371)	1,219,271	116,020	151,907	9,106	378,528	3,007,086	7,225,823	2,959,288	10,185,111

* - 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 2012.

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

	Attributable to owners of the Parent Non-distributable						Distributable			Total RM'000	Non-controlling interests RM'000	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			
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)	-	-	-
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.

**Unaudited Consolidated Condensed Statement of Cash Flows
for the period ended 30 September 2013**

	9 months ended 30.9.13 RM'000 (Unaudited)	9 months ended 30.9.12 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	340,029	1,583,806
Adjustments for:		
Non-cash items	928,687	(195,198)
Interest expense	845,633	865,553
Interest income	(138,367)	(141,711)
Dividend income	(651)	(930)
Share of results in associates and jointly controlled entities	(200,209)	(142,120)
Operating profit before working capital changes	1,775,122	1,969,400
Changes in working capital:		
Net change in current assets	(481,356)	(127,768)
Net change in current liabilities	(589,286)	125,441
Cash generated from operations	704,480	1,967,073
Designated account and pledged deposits	-	16,381
Tax paid	(174,254)	(247,833)
Zakat paid	(1,400)	(3,360)
Land lease received in advance	3,633	98,264
Retirement benefits paid	(114)	(406)
Net cash generated from operating activities	532,345	1,830,119
Cash flows from investing activities		
Net cash inflow from disposals of subsidiaries	-	81,080
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	(360,151)	(9,875)
Purchase of property, plant and equipment	(2,141,619)	(1,697,170)
Redemption of RULS in a subsidiary	-	12,425
Proceeds from sale of property, plant and equipment	576	304
Proceeds from sale of other non current asset	158	-
Additional property development expenditure	(67,719)	(57,976)
Interest received	138,367	141,711
Dividend received	100,995	91,473
Distribution from jointly controlled entity	47,000	70,000
Redemption of shares by a subsidiary	47,530	-
Net cash used in investing activities	(2,234,863)	(1,640,023)
Cash flows from financing activities		
Drawdown of term loans	8,816,332	9,374,176
Deferred income received	246,733	247,638
Repayment of term loans	(7,697,970)	(6,596,254)
Share capital reduction	(181,121)	-
Dividend paid	(137,028)	(121,802)
Dividend paid to minority shareholder	(302,002)	(256,922)
Interest paid	(845,633)	(865,553)
Redemption of preference shares in a subsidiary	(22,810)	-
Net cash (used in) / generated from financing activities	(123,499)	1,781,283

The Consolidated Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**Unaudited Consolidated Condensed Statement of Cash Flows
for the period ended 30 September 2013 (Continued)**

	9 months ended 30.9.13 RM'000 (Unaudited)	9 months ended 30.9.12 RM'000 (Unaudited)
Net (decrease)/increase in cash and cash equivalents	(1,826,017)	1,971,379
Effects of changes in exchange rate	186,712	(23,603)
Cash & cash equivalents at beginning of financial year	<u>6,159,901</u>	<u>4,563,066</u>
Cash and cash equivalents at end of financial year	<u>4,520,596</u>	<u>6,510,842</u>
Cash and cash equivalents comprise:		
Deposits and bank balances	4,523,262	6,513,577
Designated accounts	(1)	(1)
Bank overdrafts	<u>(2,665)</u>	<u>(2,734)</u>
	<u>4,520,596</u>	<u>6,510,842</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 2012.

Notes to the interim financial statements

1. Basis of preparation

The consolidated condensed interim financial information for the 9 months ended 30 September 2013 has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim financial reporting" and Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements"). The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2012, which have been 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 for the consolidated condensed interim financial information are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2012.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 January 2013 has not had a material impact on the financial performance and financial position of the Group upon their initial application.

- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- The revised MFRS 127, Consolidated and Separate Financial Statements
- The revised MFRS 128, Investments in Associates and Joint Ventures

- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to MFRS 7, Financial Instruments: Disclosures
- Amendments to MFRS 101, Presentation of Financial Statements
- Amendments to MFRS 119, Employee Benefits
- Amendments to MFRS 116, Property, Plant and Equipment

2. Adoption of a new accounting policy

The Group has changed its accounting policy in relation to the recognition of property, plant and equipment following the adoption of the amendment to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle). The amendment clarifies that spare parts are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. Previously, MFRS 116 indicated that spare parts should be classified as inventory, even if it was used for more than one period. Following the amendment, spare parts used for more than one period is classified as property, plant and equipment. The amendment to MFRS 116 was adopted by the Group retrospectively and the comparatives have been restated accordingly (via reclassification from inventory to property, plant & equipment of RM215.4 million (30 September 2013), RM215.1 million (31 December 2012) and RM313.7 million (1 January 2012)).

The Group also has adopted the new accounting policy on Joint Operations. MFRS 11, "Joint Arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. Under a joint operation, a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses accordingly.

3. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2012 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 except as disclosed in Note 17.

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 30 September 2013.

8. Dividend paid

In respect of the financial year ended 31 December 2012, a final single-tier dividend of 4.5 sen per share on 3,045,058,552 ordinary shares amounting to RM137,027,635 was paid on 28 June 2013.

9. Segment Reporting

The Group's segmental report for the financial period ended 30 September 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
Revenue							
Total	1,148	80	3,601	85	135	32	5,081
Inter-segment	(12)	-	-	-	(101)	-	(113)
External	1,136	80	3,601	85	34	32	4,968
Results							
Profit / (loss) before zakat and taxation	215	63	195	12	63	(208)	340
Finance cost	81	-	606	-	-	159	846
Depreciation and amortisation	172	-	672	5	-	22	871
Earnings Before Interest, Tax, Depreciation and Amortisation	468	63	1,473	17	63	(27)	2,057

The Group's segmental report for the corresponding financial period ended 30 September 2012 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	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							
before zakat and 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

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 MFRS 116.

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

There was no material event subsequent to the end of the current quarter except for the following:

- i) On 1 November 2013, MMC Corporation Berhad ("MMC") had announced that MMC had on the same date acquired two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of MMC Ventures Sdn Bhd (748557-X) ("MMCV"), for a total cash consideration of RM2.00. MMCV, a company incorporated in Malaysia on 26 September 2006 with an authorized share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 divided into two (2) ordinary shares of RM1.00 each, is currently a dormant company. MMCV shall serve principally as an investment holding company.
- ii) On 21 November 2013, MMC had announced that MMC Shapadu (Holdings) Sdn. Berhad ("MMCS"), an indirect 76% subsidiary of MMC had on the same date passed a special resolution to wind-up MMCS vide members' voluntary liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The shareholders of MMCS namely Anglo-Oriental (Annuities) Sdn. Bhd. ("AOA") and Shapadu Corporation Sdn. Bhd ("Shapadu") which holds 76% and 24% respectively in MMCS had also approved the appointment of the liquidators of MMCS.

12. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter except for the following:

- i) On 15 August 2013, MMC had acquired two ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of MMC Utilities Holdings Sdn Bhd ("MMCUH"), for a total cash consideration of RM2.00. MMCUH, a company incorporated in Malaysia on 14 September 2006 with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 divided into two ordinary shares of RM1.00 each, is currently a dormant company. MMCUH shall serve as a special purpose vehicle for MMC to bid government tenders, in relation to utilities and infrastructures projects. The acquisition is not expected to have any material effect on the earnings and net assets of MMC Group for the financial year ending 31 December 2013. None of the Directors and/or major shareholders of MMC and/or persons connected to them are deemed to be interested, directly or indirectly, in this transaction.

- ii) On 10 September 2013, MMC had announced that MMC AMEC Sdn Bhd ("MMC AMEC" or "the Company"), an indirect 51% owned subsidiary of MMC, had on 9 September 2013, appointed a provisional liquidator pursuant to Section 255 (1) of the Companies Act, 1965 to wind up the Company by way of creditors' voluntary winding up ("Voluntary Winding Up"). The creditors' meeting of the Company held on 2 October 2013 resolved the appointment of the liquidator of the Company.

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 2012 except for the following bank guarantees issued to third parties:

	30.9.13	31.12.12
	RM mil	RM mil
Subsidiaries	437.1	483.5

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:

	30.9.13	31.12.12
	RM mil	RM mil
Property, plant and equipment:		
Authorised and contracted for	4,237.5	5,583.4
Authorised but not contracted for	355.8	468.3
	<u>4,593.3</u>	<u>6,051.7</u>

15. Related party transactions

Significant transactions in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2012 are as follows:

	30.9.13	31.12.12
	RM mil	RM mil
Associated companies		
- Interest income on unsecured subordinated loan notes	<u>46.9</u>	<u>59.5</u>

Additional information required by the Bursa Securities Listing Requirements

16. Review of performance

The Group's revenue for the nine-month financial period ended 30 September 2013 was RM5.0 billion compared with RM6.6 billion in the corresponding period in 2012, representing a decrease of 24.2%. The decrease in the Group's revenue is mainly due to the deconsolidation of Gas Malaysia Berhad ("GMB") results post listing in June 2012 coupled with lower contribution from Malakoff.

Profit before zakat and taxation for the nine-month financial period ended 30 September 2013 was RM340.0 million compared with RM1,583.8 million in the corresponding period in 2012, representing a decrease of 78.5%. The decrease was mainly due to the absence of gain on GMB listing amounting to RM1,011.5 million coupled with lower contribution from Malakoff.

Energy & Utilities

The Energy & Utilities segment's revenue for the nine-month financial period ended 30 September 2013 was RM3.8 billion compared with RM5.4 billion for the corresponding period in 2012, representing a decrease of 29.6%. The decrease is mainly due to the absence of GMB's revenue which was deconsolidated post listing in June 2012. In addition, revenue also decreased due to lower coal price coupled with lower capacity income at Tanjung Bin power plant resulting from boiler tube leaks, the de-rating of its plants and major maintenance works at the Tanjung Bin power plant.

Profit before zakat and taxation for the nine-month financial period ended 30 September 2013 was RM269.8 million compared with

RM657.0 million in the corresponding period in 2012, representing a decrease of 58.9%.

Lower profits from the Energy & Utilities segment were mainly due to the lower shareholding in GMB along with lower capacity income and major maintenance works at the Tanjung Bin power plant.

Ports & Logistics

The Ports & Logistics segment's revenue for the nine-month financial period ended 30 September 2013 was RM1,136.4 million compared with RM1,112.5 million in the corresponding period in 2012, representing an increase of 2.1% which was mainly contributed by rates revisions.

Profit before zakat and taxation for the nine-month financial period ended 30 September 2013 was RM214.7 million compared with RM215.0 million in the corresponding period in 2012, representing a decrease of 0.1% due to maintenance works carried out at both ports but offset by lower interest cost following repayment of certain loans in the previous financial year .

Engineering & Construction

The Engineering and Construction segment's contribution arises predominantly from joint venture arrangements which are equity accounted for at the Group level.

The segment registered profit before zakat and taxation for the nine-month financial period ended 30 September 2013 at RM62.7 million compared with a loss of RM2.9 million in the corresponding period in 2012.

The higher profit was mainly attributed to the higher contribution from the Klang Valley Mass Rapid Transit ("KVMRT")

project but offset by provision made in relation to the award for the arbitration proceedings between Wayss & Freytag (Malaysia) Sdn Bhd and the MMC Engineering Group Berhad-Gamuda Berhad Joint coupled with lower profits from 2T as the project approaches completion.

Investment Holding, Corporate & Others

Investment Holding, Corporate & Others segment's revenue for the nine-month financial period ended 30 September 2013 was RM32.0 million compared with RM26.4 million in the corresponding period in 2012, representing an increase of 21.2%.

The loss before zakat and taxation for the nine-month financial period ended 30 September 2013 was RM208.0 million compared with profit of RM714.6 million in the corresponding period in 2012, representing a decrease of 129.1%. The loss was mainly due to absence of gain from listing of GMB amounting to RM1,011.5 million in June 2012 but offset by absence of impairment following a reassessment of investment in the Jazan Economic City project in the previous year.

17. Variation of results against preceding quarter

The Group recorded a profit before zakat and taxation of RM168.5 million in the current quarter as compared to RM42.2 million in the preceding quarter. The increase was mainly due to higher income at Tanjung Bin power plant due to the maintenance works carried out in the previous quarter.

18. Current prospects

In tandem with Bank Negara's revised GDP forecast, the Board expects the performance of the group for the second half of the year to be better than that of the first half. The operating results for the full year is expected to be comparable to that of last year excluding the one-off gain from the listing of GMB.

19. Profit before zakat and taxation

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

	Current Quarter Ended		Financial Period Ended	
	30.9.13 RM' 000	30.9.12 RM' 000	30.9.13 RM' 000	30.9.12 RM' 000
Interest income	(45,681)	(38,460)	(138,367)	(141,711)
Depreciation	186,972	177,046	544,998	541,428
Amortisation	108,811	102,431	326,638	307,312
Impairment of receivables	(69)	1,099	81,235	3,697
Write-back of impairment of receivables	(16,787)	152	(12,960)	2
Impairment loss on cost of investment in associate	-	-	-	1,994
Net unrealised foreign exchange (gain)/loss	(20,923)	4,261	(24,356)	3,596
Gain on disposal on:				
- subsidiary	-	-	-	(258,030)
- associate	-	-	-	(26,700)
- property, plant and equipment	(138)	(17)	(62)	(303)
- non-current asset	(28)	179	(28)	179
Fair value gain for investment in associate	-	-	-	(753,515)

20. Profit forecast or profit guarantee

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

21. Tax expense

	3 months ended 30.9.13	3 months ended 30.9.12	Cumulative 9 months ended 30.9.13	Cumulative 9 months ended 30.9.12
	RM mil	RM mil	RM mil	RM mil
Current tax expense				
- current	21	(49)	(45)	(179)
- prior year	-	1	-	1
Deferred tax expense				
- current	22	(33)	80	(26)
- prior year	-	-	-	2
	<u>43</u>	<u>(81)</u>	<u>35</u>	<u>(202)</u>

The Group's effective tax rate for the financial period is lower than the statutory income tax rate in Malaysia mainly due to tax exemption received by a subsidiary in relation to single tier tax, and reversal of over provision of tax in prior year.

The tax expenses for the current quarter is lower compared to the corresponding quarter in 2012 due to lower profits contributed by a subsidiary, tax exemption received by a subsidiary in relation to single tier tax, optimum use of interest expense in a subsidiary for tax purpose resulting from the subsidiary's internal restructuring exercise and reversal of over provision of tax in prior year.

22. Status of corporate proposals announced

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

On 6 September 2013, MMC announced that it has been informed by the Board of Directors of Malakoff Corporation Berhad ("MCB") that

MCB has decided to allow the approval of the Securities Commission ("SC") for the proposed listing which was valid until 6 September 2013 to lapse. However, it remains the intention of the Board of Directors of MCB to list MCB on the Main Market of Bursa Malaysia Securities Berhad subject to, amongst others, the general market and economic conditions.

For details of the Proposed Listing, please refer to Bursa Malaysia's website.

23. 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>30.9.13</u>	<u>31.12.12</u>
	RM mil	RM mil
At 1 January	96.3	94.2
Net gains/(losses) transferred to equity	<u>(0.9)</u>	<u>2.1</u>
At 30.9.13/31.12.12	95.4	96.3
Less: Non-current portion	<u>(7.0)</u>	<u>(7.7)</u>
Current portion	<u><u>88.4</u></u>	<u><u>88.6</u></u>

24. Borrowings

	<u>30.9.13</u>	<u>31.12.12</u>
	RM mil	RM mil
Current		
- secured	2,027	2,925
- unsecured	<u>308</u>	<u>449</u>
	<u>2,335</u>	<u>3,374</u>
Non-current		
- secured	18,500	15,250
- unsecured	<u>3,168</u>	<u>2,751</u>
	<u>21,668</u>	<u>18,001</u>
Total borrowings	<u>24,003</u>	<u>21,375</u>

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

Functional currency (RM)	<u>30.9.13</u>	<u>31.12.12</u>
	RM mil	RM mil
USD	280	267
AUD	1,987	-
RM	<u>21,736</u>	<u>21,108</u>
	<u>24,003</u>	<u>21,375</u>

25. Realised and unrealised profit/losses disclosure

The retained earnings as at 30 September 2013 is analysed as follows:

	As at 30.9.13 RM mil
Total retained earnings of the Company and its subsidiaries:	
- Realised	2,252.7
- Unrealised	606.8
	<hr/> 2,859.5
Total retained earnings from associated companies:	
- Realised	257.0
- Unrealised	(28.4)
	<hr/> 228.6
Total retained earnings from jointly controlled entities:	
- Realised	8.2
- Unrealised	(25.0)
	<hr/> (16.8)
Total retained earnings before consolidation adjustment	<hr/> 3,071.3
Less: Consolidation adjustment	(64.2)
Total retained earnings as per consolidated financial statements	<hr/> <hr/> <u>3,007.1</u>

26. Changes in material litigation

- a) The appeal involving Jurutera Perunding Daya Sdn Bhd and Pengurusan Projek Daya Sdn Bhd ("the Daya Group"), Projek Lebuhraya Timur Sdn Bhd and MMC Corporation Berhad is fixed for hearing on 11 February 2014.
- b) 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 is fixed for

hearing on 13 December 2013. Other applications in respect of the Award are fixed for case management on the same date.

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 2012.

27. Dividend Payable

No dividend has been recommended by the Directors for the current financial period ended 30 September 2013. No dividend was declared by the Directors for the corresponding financial period ended 30 September 2012.

28. Earnings per ordinary share

Basic/diluted Earnings Per Ordinary Share

	3 months ended <u>30.9.13</u>	3 months ended <u>30.9.12</u>	Cumulative 9 months ended <u>30.9.13</u>	Cumulative 9 months ended <u>30.9.12</u>
Profit for the period attributable to owners of the Parent (RM mil)	135	61	188	842
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)	4.4	2.0	6.2	27.7
Diluted earnings per ordinary share (sen)	4.4	2.0	6.2	27.7

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 29 November 2013.

By Order of the Board

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

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

Secretaries

Kuala Lumpur

29 November 2013