

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

| | <u>3 months</u> <u>quarter ended</u> <u>31.12.10</u> RM'000 (Unaudited) | <u>3 months</u> <u>quarter ended</u> <u>31.12.09</u> RM'000 (Unaudited) | <u>Cumulative</u> <u>12 months ended</u> <u>31.12.10</u> RM'000 (Unaudited) | <u>Cumulative</u> <u>12 months ended</u> <u>31.12.09</u> RM'000 (Unaudited) |
|---|---|---|---|---|
| Revenue | 2,254,987 | 2,198,352 | 8,863,649 | 8,444,321 |
| Cost of sales | (1,510,215) | (1,455,729) | (5,756,735) | (5,451,414) |
| Gross profit | <u>744,772</u> | <u>742,623</u> | <u>3,106,914</u> | <u>2,992,907</u> |
| Other Operating Income | | | | |
| Items relating to investments | 133,597 | - | 225,354 | 280 |
| Others | 85,453 | 132,893 | 224,105 | 340,432 |
| Distribution costs | (132) | (112) | (698) | (337) |
| Administrative expenses | (139,251) | (176,727) | (686,455) | (698,683) |
| Other operating expenses | (314,779) | (246,896) | (505,795) | (444,484) |
| Finance cost | (411,567) | (349,657) | (1,455,336) | (1,398,507) |
| Share of results of associated companies and jointly controlled entities | <u>23,774</u> | <u>3,685</u> | <u>(52,341)</u> | <u>(109,982)</u> |
| Profit before zakat and taxation | <u>121,867</u> | <u>105,809</u> | <u>855,748</u> | <u>681,626</u> |
| Zakat expenses | (1,236) | - | (1,236) | - |
| Tax expenses | <u>121,598</u> | <u>65,652</u> | <u>(52,100)</u> | <u>(58,362)</u> |
| Profit for the period | <u><u>242,229</u></u> | <u><u>171,461</u></u> | <u><u>802,412</u></u> | <u><u>623,264</u></u> |
| Other comprehensive income | | | | |
| Available-for-sale financial assets | | | | |
| - fair value (losses)/gains | 13,245 | 16,158 | 24,131 | 51,706 |
| - disposal | (138,412) | - | (196,698) | - |
| Movement in associate's capital reserve | 8,891 | 934 | 14,615 | 4,162 |
| Currency translation differences | 298 | (1,180) | (31,557) | 668 |
| Disposal of subsidiary | (1,239) | - | (4,649) | - |
| Other comprehensive income for the period | <u>(117,217)</u> | <u>15,912</u> | <u>(194,158)</u> | <u>56,536</u> |
| Total comprehensive income for the period | <u><u>125,012</u></u> | <u><u>187,373</u></u> | <u><u>608,254</u></u> | <u><u>679,800</u></u> |
| Profit attributable to: | | | | |
| Owners of the Parent | 104,602 | 108,601 | 344,940 | 233,614 |
| Non-controlling interest | <u>137,627</u> | <u>62,860</u> | <u>457,472</u> | <u>389,650</u> |
| | <u><u>242,229</u></u> | <u><u>171,461</u></u> | <u><u>802,412</u></u> | <u><u>623,264</u></u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Parent | (11,620) | 124,513 | 155,187 | 290,150 |
| Non-controlling interest | <u>136,632</u> | <u>62,860</u> | <u>453,067</u> | <u>389,650</u> |
| | <u><u>125,012</u></u> | <u><u>187,373</u></u> | <u><u>608,254</u></u> | <u><u>679,800</u></u> |
| Earnings per share for profit attributable to the owners of the Parent | | | | |
| Basic (sen) | 3.4 | 3.6 | 11.3 | 7.7 |
| Diluted (sen) | 3.4 | 3.6 | 11.3 | 7.7 |

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

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

| | As at 31.12.10 RM' 000 (Unaudited) | As at 31.12.09 RM' 000 (Restated) |
|--|---|--|
| Non-Current Assets | | |
| Property, plant and equipment | 16,715,156 | 17,070,783 |
| Investment properties | 30,778 | 31,319 |
| Investments in associates | 1,163,040 | 1,615,285 |
| Investment in jointly controlled entities | 219,281 | 265,911 |
| Available-for-sale financial assets | 8,412 | - |
| Property development expenditure | 1,917,196 | 1,940,028 |
| Other assets | 4,214 | 6,792 |
| Intangible assets | 7,972,682 | 8,375,604 |
| Deferred expenditure | 17,133 | 17,533 |
| Deferred income tax assets | 670,503 | 542,011 |
| | <u>28,718,395</u> | <u>29,865,266</u> |
| Current Assets | | |
| Inventories | 585,289 | 638,416 |
| Assets held for sale | 103 | 541 |
| Trade and other receivables | 2,227,711 | 1,813,263 |
| Current income tax recoverable | 337,014 | 206,914 |
| Amount due from holding company | 5,518 | 7,518 |
| Available-for-sale financial assets | 81,868 | - |
| Marketable securities | - | 61,237 |
| Deposits, bank and cash balances | 4,062,543 | 4,492,832 |
| | <u>7,300,046</u> | <u>7,220,721</u> |
| Current Liabilities | | |
| Borrowings | 3,982,139 | 2,559,153 |
| Trade and other payables | 1,594,020 | 2,084,469 |
| Current income tax liabilities | 40,409 | 45,952 |
| Redeemable convertible subordinated loans | 26,051 | - |
| | <u>5,642,619</u> | <u>4,689,574</u> |
| Net Current Assets | <u>1,657,427</u> | <u>2,531,147</u> |
| | <u>30,375,822</u> | <u>32,396,413</u> |
| Equity | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 304,506 | 304,506 |
| Reserves | 6,289,766 | 5,994,176 |
| | <u>6,594,272</u> | <u>6,298,682</u> |
| Non-controlling interest | 3,808,956 | 3,460,519 |
| Total equity | <u>10,403,228</u> | <u>9,759,201</u> |
| Non-Current Liabilities | | |
| Redeemable preference shares | 136,467 | 134,563 |
| Redeemable convertible subordinated loans | - | 158,355 |
| Redeemable convertible unsecured loan stocks | - | 36,930 |
| Borrowings | 15,984,276 | 18,359,545 |
| Land lease received in advance | 162,264 | 171,851 |
| Provision for retirement benefits | 53,748 | 48,063 |
| Deferred income | 99,439 | 56,739 |
| Deferred income tax liabilities | 3,511,746 | 3,537,840 |
| Other payables | 24,654 | 133,326 |
| | <u>30,375,822</u> | <u>32,396,413</u> |
| Net assets per share attributable to ordinary equity holders of parent (sen) | 217 | 207 |

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

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

| | Attributable to owners of the Parent | | | | | Distributable | | | Non-controlling interests | Total Equity | |
|--|--------------------------------------|-------------------------|--|-------------------------------|---|----------------------------|-----------------------------|-----------------------------|---------------------------|--------------|-----------------|
| | Non-distributable | | | | | | | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Currency Translation Reserve RM'000 | Revaluation Reserve RM'000 | Available-for-sale financial assets RM'000 | Capital Reserves RM'000 | Capital* Reserves RM'000 | Retained Earnings RM'000 | | | Total RM'000 |
| At 1 January 2010 | 304,506 | 2,039,770 | 506 | 1,219,271 | 16,104 | 68,649 | 370,876 | 2,282,097 | 6,301,779 | 3,460,519 | 9,762,298 |
| Effects of changes in accounting policies - FRS139 | - | - | - | - | 264,440 | - | - | (37,790) | 226,650 | (37,717) | 188,933 |
| Prior year adjustments | - | - | - | - | - | - | - | (3,097) | (3,097) | - | (3,097) |
| As restated | 304,506 | 2,039,770 | 506 | 1,219,271 | 280,544 | 68,649 | 370,876 | 2,241,210 | 6,525,332 | 3,422,802 | 9,948,134 |
| Profit for the period | - | - | - | - | - | - | - | 344,940 | 344,940 | 457,472 | 802,412 |
| Other comprehensive income / (loss) | - | - | (31,557) | - | (172,567) | 14,615 | (244) | - | (189,753) | (4,405) | (194,158) |
| Total comprehensive income for the period | - | - | (31,557) | - | (172,567) | 14,615 | (244) | 344,940 | 155,187 | 453,067 | 608,254 |
| Transfer to capital reserve | - | - | - | - | - | - | 2,300 | (2,300) | - | - | - |
| Issuance of shares by a subsidiary upon conversion of redeemable convertible subordinated loans | - | - | - | - | - | - | - | - | - | 158,355 | 158,355 |
| Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks | - | - | - | - | - | - | 2,932 | 2,173 | 5,105 | 6,459 | 11,564 |
| New investment in a subsidiary | - | - | - | - | - | - | - | - | - | 10 | 10 |
| Dividend | - | - | - | - | - | - | - | (91,352) | (91,352) | (231,737) | (323,089) |
| At 31 December 2010 | 304,506 | 2,039,770 | (31,051) | 1,219,271 | 107,977 | 83,264 | 375,864 | 2,494,671 | 6,594,272 | 3,808,956 | 10,403,228 |

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2010 (continued)

| | Attributable to owners of the Parent | | | | | Distributable | | | Non-controlling interests | Total Equity | |
|--|--------------------------------------|---------------|------------------------------|---------------------|-------------------------------------|------------------|-------------------|-------------------|---------------------------|--------------|-----------|
| | Non-distributable | | | | | | | | | | |
| | Share Capital | Share Premium | Currency Translation Reserve | Revaluation Reserve | Available-for-sale financial assets | Capital Reserves | Capital* Reserves | Retained Earnings | Total | | |
| | 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 2009 | 304,506 | 2,039,770 | 139 | 1,219,271 | (34,444) | 63,329 | 422,783 | 2,098,675 | 6,114,029 | 3,245,997 | 9,360,026 |
| Prior year adjustments | - | - | (301) | - | - | - | - | 25,570 | 25,269 | (24,558) | 711 |
| As restated | 304,506 | 2,039,770 | (162) | 1,219,271 | (34,444) | 63,329 | 422,783 | 2,124,245 | 6,139,298 | 3,221,439 | 9,360,737 |
| Profit for the period | - | - | - | - | - | - | - | 233,614 | 233,614 | 389,650 | 623,264 |
| Other comprehensive income | - | - | 668 | - | 51,706 | 4,162 | - | - | 56,536 | - | 56,536 |
| Total comprehensive income for the period | - | - | 668 | - | 51,706 | 4,162 | - | 233,614 | 290,150 | 389,650 | 679,800 |
| Acquisition through business combination | - | - | - | - | - | - | (13,161) | - | (13,161) | 17,226 | 4,065 |
| Redemption of subsidiary's redeemable convertible preference shares | - | - | - | - | - | - | (41,160) | - | (41,160) | - | (41,160) |
| Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks | - | - | - | - | - | - | (726) | 407 | (319) | 2,687 | 2,368 |
| Transfer to capital reserve | - | - | - | - | - | - | 3,140 | (3,140) | - | - | - |
| Dividend | - | - | - | - | - | - | - | (76,126) | (76,126) | (170,483) | (246,609) |
| At 31 December 2009 | 304,506 | 2,039,770 | 506 | 1,219,271 | 17,262 | 67,491 | 370,876 | 2,279,000 | 6,298,682 | 3,460,519 | 9,759,201 |

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

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

**Condensed Unaudited Consolidated Statement of Cash Flows
for the period ended 31 December 2010 (continued)**

| | 12 months ended 31.12.10 RM'000 (Unaudited) | 12 months ended 31.12.09 RM'000 (Unaudited) |
|---|---|---|
| Net increase in cash and cash equivalents | (403,710) | 727,251 |
| Effects of changes in exchange rate | (31,557) | 668 |
| Cash & Cash Equivalents at beginning of financial period | <u>4,474,357</u> | <u>3,746,438</u> |
| Cash and cash equivalents at end of financial period | <u>4,039,090</u> | <u>4,474,357</u> |
| Cash and cash equivalents comprise: | | |
| Deposits and bank balances | 4,062,543 | 4,492,832 |
| Designated accounts | (1) | (1) |
| Pledge deposits | (15,965) | (17,758) |
| Bank overdrafts | <u>(7,487)</u> | <u>(716)</u> |
| | <u>4,039,090</u> | <u>4,474,357</u> |

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

Notes to the interim financial statements

1. Basis of preparation

The consolidated condensed interim financial information for the 12 months ended 31 December 2010 has been prepared in accordance with FRS 134 "Interim financial reporting" and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with the Financial Reporting Standards, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965.

2. Changes in Accounting Policies

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

| | |
|-----------|--|
| FRS 3 | Business Combinations (revised) |
| FRS 7 | Financial Instruments: Disclosures |
| FRS 8 | Operating Segments |
| FRS 101 | Presentation of Financial Statements (revised) |
| FRS 123 | Borrowing Costs (revised) |
| FRS 139 | Financial Instruments: Recognition and Measurement |
| IC Int.9 | Reassessment of Embedded Derivatives |
| IC Int.10 | Interim Financial Reporting and Impairment |

IC Int.14 FRS 119 - The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their interaction

The adoptions of the above FRSs do not have significant financial impact to the Group except for the adoption of the following standards as set out below:

(a) FRS 101(revised): Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive gain in the statement of comprehensive income. The total comprehensive gain for the preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests. The effects on the comparatives to the Group on adoption of FRS 101 (revised) are as follows:

| For the period ended 31 December 2009 | <u>Income Statement</u> <u>As previously stated</u> RM mil | <u>Effects on adoption</u> RM mil | <u>Statement of comprehensive Income</u> <u>As restated</u> RM mil |
|---|--|--|--|
| Profit for the period | 623 | - | 623 |
| Other comprehensive income | - | 57 | 57 |
| Total comprehensive income | 623 | 57 | 680 |
| | | | |
| Total comprehensive income attributable to: | | | |
| -Owners of the Parent | 233 | 57 | 290 |
| -Non-controlling interest | 390 | - | 390 |
| | 623 | 57 | 680 |

(b) Amendment to FRS 117, Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land and building were treated as operating leases. The considerations paid were classified and presented as prepaid land and building lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land and building as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. In making this judgement, the management has concluded that land and building with an initial lease period of 50 years or more are finance leases because the present value of the minimum lease payments (i.e. the

consideration paid or payable) is substantially equal to the fair value of the land and building. Accordingly, the Group has changed the classification of long leasehold land and building from operating leases to finance leases in previous quarter. This change in classification has no effect to the profit or loss of the current period ended 31 December 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year s statement of financial position is as follows:

| Statement of | <u>As</u> | <u>Effects</u> | <u>As</u> |
|----------------------------------|-------------------|-----------------|-----------------|
| Financial Position | <u>previously</u> | <u>on</u> | <u>restated</u> |
| As at 31 December 2009 | <u>stated</u> | <u>adoption</u> | |
| | RM 000 | RM 000 | RM 000 |
| Prepaid lease payments | 939,612 | (939,612) | - |
| Property, Plant and Equipment | 16,131,171 | 939,612 | 17,070,783 |

(c) FRS 139 Financial Instruments: Recognition and Measurement

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

(i) Available-For-Sale Financial Assets

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

(ii) Borrowings

Borrowings are initially measured at fair value including directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gain and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised or through the amortisation process.

The effects arising from the adoption of FRS 139, other than those disclosed in the statement of changes in equity, is set out below:

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

i) Statement of Comprehensive Income

FRS 139
RM 000

GroupIncrease/(Decrease)

Available-for-sale financial assets

- Fair value gain 24,131

- Disposal (196,698)

ii) Statement of Financial Position

GroupIncrease/(Decrease)

Other assets (1,600)

Available-for-sale financial assets 90,280

Marketable securities (61,237)

Redeemable preference shares (2,128)

Borrowings 67,817

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

| Statement of Financial Position As at 31 December 2009 | <u>As</u> <u>previously</u> <u>stated</u> RM mil | <u>Effects</u> <u>on</u> <u>adoption</u> RM mil | <u>As</u> <u>restated</u> RM mil |
|--|---|--|--|
| Other assets | 7 | (2) | 5 |
| Available-for-sale financial assets | - | 326 | 326 |
| Marketable securities | 61 | (61) | - |
| Redeemable preference shares | 114 | (2) | 112 |
| Borrowings | 20,919 | 68 | 20,987 |
| Reserves | 5,997 | 227 | 6,224 |
| Non-controlling interest | 3,461 | (38) | 3,423 |

3. Prior year adjustments

The Group has adjusted the comparative figures in accordance with the finalisation of the Purchase Price Allocation ("PPA") on the acquisition of Senai Airport Terminal Services Sdn Bhd ("SATS").

Subsequent to the preliminary assessment made in the financial year ended 31 December 2009, the Group has finalised the PPA on the acquisition of SATS within the permitted 12 months period from the date of completion of the acquisition under FRS 3: Business Combination.

The difference between the preliminary assessment, as previously reported in the financial statement for the year ended 31 December 2009 and the final assessment, in respect of the fair value of the net assets acquired, goodwill and cash flow arising from the acquisition is as follows:

| | Preliminary <u>Assessment</u> | <u>Adjustment</u> | Final <u>assessment</u> |
|-----------------------------------|----------------------------------|-------------------|----------------------------|
| Group | RM 000 | RM 000 | RM 000 |
| Property, plant and equipment | 546,762 | (91,847) | 454,915 |
| Prepaid lease payment | 498,283 | (192,929) | 305,354 |
| Property development expenditure | 1,995,138 | (112,138) | 1,883,000 |
| Intangible assets | - | 168,909 | 168,909 |
| Cash and cash equivalent | 91,780 | - | 91,780 |
| Trade and other receivables | 14,671 | - | 14,671 |
| Trade and other payables | (535,874) | - | (535,874) |
| Borrowings | (371,871) | - | (371,871) |
| Deferred tax liabilities | (580,666) | 89,194 | (491,472) |
| Fair value of net assets acquired | 1,658,223 | (138,811) | 1,519,412 |
| Goodwill on acquisition | 51,694 | 138,811 | 190,505 |
| Net consideration | 1,709,917 | - | 1,709,917 |

The following tables disclose the adjustments that have been made to the 31 December 2009 comparative figures in accordance with the above.

| <u>Group</u> | Previously <u>Reported</u> RM 000 | PPA <u>finalisation</u> RM 000 | As <u>restated</u> RM 000 |
|--|---|--------------------------------------|---------------------------------|
| Increase/(Decrease) | | | |
| <u>Balance Sheet</u> | | | |
| Property, plant and equipment | 16,223,530 | (92,359) | 16,131,171 |
| Prepaid lease payment | 1,133,628 | (194,016) | 939,612 |
| Property development expenditure | 2,052,166 | (112,138) | 1,940,028 |
| Intangible assets | 8,070,414 | 305,190 | 8,375,604 |
| Reserves | 5,997,273 | (3,097) | 5,994,176 |
| Deferred tax liabilities | 3,628,066 | (90,226) | 3,537,840 |
| <u>Income Statement</u> | | | |
| Other operating expenses | (440,355) | (4,129) | (444,484) |
| Profit before taxation | 685,755 | (4,129) | 681,626 |
| Tax expense | (59,394) | 1,032 | (58,362) |
| Net profit for the year | 626,361 | (3,097) | 623,264 |
| Profit attributable to equity holders of the Parent | 236,711 | (3,097) | 233,614 |
| Earnings per ordinary shares: | | | |
| Basic | 7.8 | (0.1) | 7.7 |
| Diluted | 7.8 | (0.1) | 7.7 |
| <u>Statement of changes in equity</u> | | | |
| Retained earnings | 2,282,097 | (3,097) | 2,279,000 |

4. Audit qualification

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

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.

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 31 December 2010 other than the disposal of 19,000,000 ordinary shares of Sime Darby Berhad ("Sime") as disclosed in note 22(a).

9. Dividend paid

In respect of the financial year ended 31 December 2009, as reported in Directors' report during that financial year, a final single-tier dividend of 3.0 sen per share on the 3,045,058,552 ordinary shares amounting to RM91,351,756.56, was paid on 27 May 2010.

