

**Condensed Consolidated Statement of Comprehensive Income**  
**Quarterly report on unaudited consolidated results**  
**for the period ended 30 June 2011**

	3 months ended <u>30.6.11</u> RM'000 (Unaudited)	3 months ended <u>30.6.10</u> RM'000 (Unaudited)	Cumulative 6 months ended <u>30.6.11</u> RM'000 (Unaudited)	Cumulative 6 months ended <u>30.6.10</u> RM'000 (Unaudited)
Revenue	2,422,053	2,307,945	4,649,823	4,375,569
Cost of sales	(1,654,630)	(1,478,484)	(3,089,260)	(2,809,073)
<b>Gross profit</b>	<u>767,423</u>	<u>829,461</u>	<u>1,560,563</u>	<u>1,566,496</u>
Other Operating Income				
Items relating to investments	6,621	(1,760)	6,621	44,159
Others	53,343	41,282	114,179	92,867
Distribution costs	(249)	(297)	(434)	(429)
Administrative expenses	(178,211)	(188,222)	(327,881)	(380,782)
Other operating expenses	(48,915)	(72,726)	(125,849)	(130,544)
Finance cost	(340,688)	(361,608)	(681,810)	(708,410)
Share of results of associated companies and jointly controlled entities	<u>8,915</u>	<u>(69,345)</u>	<u>8,054</u>	<u>(97,703)</u>
<b>Profit before zakat and taxation</b>	<u>268,239</u>	<u>176,785</u>	<u>553,443</u>	<u>385,654</u>
<b>Zakat expenses</b>	-	-	-	-
Tax expenses	(45,252)	11,545	(150,865)	(70,858)
<b>Profit for the period</b>	<u>222,987</u>	<u>188,330</u>	<u>402,578</u>	<u>314,796</u>
<b>Other comprehensive income</b>				
Available-for-sale financial assets				
- fair value gains	1,319	(25,517)	30,957	(11,125)
- disposal	-	-	-	-
Movement in associate's capital reserve	1,570	8,209	4,673	8,209
Currency translation differences	1,292	(1,503)	(4,067)	(18,005)
Disposal of subsidiary	1,952	(3,410)	1,952	(3,410)
<b>Other comprehensive income for the period</b>	<u>6,133</u>	<u>(22,221)</u>	<u>33,515</u>	<u>(24,331)</u>
<b>Total comprehensive income for the period</b>	<u>229,120</u>	<u>166,109</u>	<u>436,093</u>	<u>290,465</u>
<b>Profit attributable to:</b>				
Owners of the Parent	82,057	89,281	125,098	122,510
Non-controlling interest	140,930	99,049	277,480	192,286
	<u>222,987</u>	<u>188,330</u>	<u>402,578</u>	<u>314,796</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	86,238	70,472	156,661	101,589
Non-controlling interest	142,882	95,637	279,432	188,876
	<u>229,120</u>	<u>166,109</u>	<u>436,093</u>	<u>290,465</u>
<b>Earnings per share for profit attributable to the owners of the Parent</b>				
Basic (sen)	2.7	2.9	4.1	4.0
Diluted (sen)	2.7	2.9	4.1	4.0

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

**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2011**

	<b>As at 30.6.11 RM' 000 (Unaudited)</b>	<b>As at 31.12.10 RM' 000 (Audited)</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	16,311,609	16,705,775
Investment properties	30,374	30,778
Prepaid lease payments	19,036	19,238
Investments in associates	1,076,655	1,163,040
Investment in jointly controlled entities	245,106	219,281
Available-for-sale financial assets	9,748	8,412
Property development expenditure	1,948,402	1,917,196
Other assets	3,837	4,214
Intangible assets	7,776,763	7,979,958
Deferred income tax assets	657,429	670,503
	<u>28,078,959</u>	<u>28,718,395</u>
<b>Current Assets</b>		
Inventories	719,237	585,289
Assets held for sale	257	103
Trade and other receivables	2,390,186	2,227,814
Current income tax recoverable	317,505	337,014
Amount due from holding company	5,518	5,518
Available-for-sale financial assets	85,867	81,868
Deposits, bank and cash balances	4,127,768	4,062,543
	<u>7,646,338</u>	<u>7,300,149</u>
<b>Current Liabilities</b>		
Borrowings	3,137,437	3,991,739
Trade and other payables	1,964,740	1,594,123
Current income tax liabilities	52,546	40,409
Redeemable convertible unsecured loan stocks	26,348	26,051
	<u>5,181,071</u>	<u>5,652,322</u>
<b>Net Current Assets</b>	<u>2,465,267</u>	<u>1,647,827</u>
	<u>30,544,226</u>	<u>30,366,222</u>
<b>Equity</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	304,506	304,506
Reserves	6,339,859	6,289,766
	<u>6,644,365</u>	<u>6,594,272</u>
Non-controlling interest	3,859,536	3,808,956
<b>Total equity</b>	<u>10,503,901</u>	<u>10,403,228</u>
<b>Non-Current Liabilities</b>		
Redeemable preference shares	138,526	136,467
Borrowings	16,012,135	15,974,676
Land lease received in advance	163,195	162,264
Provision for retirement benefits	54,352	53,748
Deferred income	99,559	99,439
Deferred income tax liabilities	3,543,620	3,511,746
Other payables	28,938	24,654
	<u>30,544,226</u>	<u>30,366,222</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	218	217

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

## Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2011

	Attributable to owners of the Parent					Distributable			Non-controlling interests	Total Equity	
	Non-distributable										
	Share Capital RM'000	Share Premium RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Available-for-sale financial assets RM'000	Capital Reserves RM'000	Capital* Reserves RM'000	Retained Earnings RM'000			Total RM'000
<b>At 1 January 2011</b>	304,506	2,039,770	(31,051)	1,219,271	107,977	83,264	375,864	2,494,671	6,594,272	3,808,956	10,403,228
Profit for the period	-	-	-	-	-	-	-	125,098	125,098	277,480	402,578
Other comprehensive income / (loss)	-	-	(4,067)	-	30,957	4,673	-	-	31,563	1,952	33,515
<b>Total comprehensive income for the period</b>	-	-	(4,067)	-	30,957	4,673	-	125,098	156,661	279,432	436,093
Transfer to capital reserve	-	-	-	-	-	-	1,150	(1,150)	-	-	-
Issuance of shares by a subsidiary upon conversion of redeemable convertible unsecured loan stocks	-	-	-	-	-	-	(43)	52	9	222	231
Dividend	-	-	-	-	-	-	-	(106,577)	(106,577)	(229,074)	(335,651)
<b>At 30 June 2011</b>	304,506	2,039,770	(35,118)	1,219,271	138,934	87,937	376,971	2,512,094	6,644,365	3,859,536	10,503,901

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

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

## Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2011

	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
<b>At 1 January 2010</b>	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)
<b>As restated</b>	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)
<b>Total comprehensive income for the period</b>	-	-	(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)
<b>At 31 December 2010</b>	304,506	2,039,770	(31,051)	1,219,271	107,977	83,264	375,864	2,494,671	6,594,272	3,808,956	10,403,228

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

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

**Condensed Unaudited Consolidated Statement of Cash Flows  
for the period ended 30 June 2011**

	<b>6 months ended 30.6.11 RM'000 (Unaudited)</b>	<b>6 months ended 30.6.10 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	553,443	385,654
Adjustments for:		
Non-cash items	585,455	555,704
Interest expense	681,810	708,410
Interest income	(97,694)	(77,522)
Dividend income	-	(2,541)
Share of results in associates and jointly controlled entities	(8,054)	97,703
	<u>1,714,960</u>	<u>1,667,408</u>
Operating profit before working capital changes	1,714,960	1,667,408
Changes in working capital:		
Net change in current assets	(310,347)	(412,179)
Net change in current liabilities	403,562	(90,992)
	<u>1,808,175</u>	<u>1,164,237</u>
Cash generated from operations	1,808,175	1,164,237
Designated account and pledged deposits	365	
Tax paid	(74,279)	(139,751)
Land lease received in advance	6,402	373
Retirement benefits paid	(2,906)	(356)
Payment in lieu of windfall profit levy paid	-	(43,465)
	<u>1,737,757</u>	<u>981,038</u>
<b>Net cash generated from operating activities</b>	<b>1,737,757</b>	<b>981,038</b>
<b>Cash flows from investing activities</b>		
Net cash outflow from disposals of subsidiaries	329	(5,171)
Net cash inflow from disposal of associates	-	60,114
Additional investment in a jointly controlled entity	-	(299)
Purchase of property, plant and equipment	(59,140)	(362,360)
Redemption of RULS in a subsidiary	22,021	12,500
Proceeds from sale of property, plant and equipment	373	5,370
Proceeds from sale of investment properties	(63)	-
Proceeds from sale of other non current asset	1,184	-
Additional property development expenditure	(31,206)	(6,125)
Interest received	97,694	77,522
Dividend received	64,317	64,741
Distribution from jointly controlled entity	-	83,750
	<u>95,509</u>	<u>(69,958)</u>
<b>Net cash generated from / (used in) investing activities</b>	<b>95,509</b>	<b>(69,958)</b>
<b>Cash flows from financing activities</b>		
Drawdown of term loans	153,556	424,685
Government grant received	16,651	-
Repayment of term loans	(920,216)	(842,521)
Dividend paid	(106,577)	(91,352)
Dividend paid to minority shareholder	(229,074)	(178,865)
Interest paid	(681,810)	(708,410)
Redemption of preference shares in a subsidiary	-	-
	<u>(1,767,470)</u>	<u>(1,396,463)</u>
<b>Net cash used in financing activities</b>	<b>(1,767,470)</b>	<b>(1,396,463)</b>

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

**Condensed Unaudited Consolidated Statement of Cash Flows  
for the period ended 30 June 2011 (continued)**

	<b>6 months ended 30.6.11 RM'000 (Unaudited)</b>	<b>6 months ended 30.6.10 RM'000 (Unaudited)</b>
Net increase in cash and cash equivalents	65,796	(485,383)
Effects of changes in exchange rate	(4,067)	(18,005)
Cash & Cash Equivalents at beginning of financial period	<u>4,039,090</u>	<u>4,474,357</u>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>4,100,819</u></b>	<b><u>3,970,969</u></b>
<b>Cash and cash equivalents comprise:</b>		
Deposits and bank balances	4,127,768	3,989,626
Designated accounts	(1)	(1)
Pledge deposits	(15,600)	(17,758)
Bank overdrafts	<u>(11,348)</u>	<u>(898)</u>
	<b><u>4,100,819</u></b>	<b><u>3,970,969</u></b>

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

## Notes to the interim financial statements

### 1. Basis of preparation

The consolidated condensed interim financial information for the 6 months ended 30 June 2011 has been prepared in accordance with FRS 134 "Interim financial reporting" and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with the Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965.

### 2. Changes in Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following new and revised Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Int.") effective for the financial period beginning on 1 January 2011:

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

IC Int.12 Service Concession Arrangements

IC Int.18 Transfers of Assets from Customers

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

### **3. Audit qualification**

The report of the auditors on the Group's financial statements for the year ended 31 December 2010 was not subject to any qualification.

### **4. Seasonal or cyclical factors**

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

### **5. Unusual items**

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

### **6. Changes in estimates**

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim period's financial statements.

### **7. Debt and equity securities**

There was no material issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter ended 30 June 2011.



## 8. Dividend paid

In respect of the financial year ended 31 December 2010, as reported in the Directors' report during that financial year, a final single-tier dividend of 3.5 sen per share on the 3,045,058,552 ordinary shares amounting to RM106,577,049, was paid on 15 June 2011.

## 9. Segment Reporting

The Group's segmental report for the six-month financial period ended 30 June 2011 is as follows:

	<u>Transport &amp; Logistics</u> RM mil	<u>Energy &amp; Utilities</u> RM mil	<u>Engineering &amp; Construction</u> RM mil	<u>Corporate &amp; Others</u> RM mil	<u>Total</u> RM mil
<b><u>Revenue</u></b>					
Total	695	3,958	18	1	4,672
Inter-segment	(7)	-	(15)	-	(22)
External	688	3,958	3	1	4,650
<b><u>Results</u></b>					
Profit /(Loss) before taxation	137	575	(16)	(143)	553
Finance cost	74	518	-	90	682
Depreciation and amortisation	139	454	-	2	595
Earnings Before Interest, Tax, Depreciation and Amortisation	350	1,547	(16)	(51)	1,830

The Group's segmental report for the corresponding six-month financial period ended 30 June 2010 is as follows:

	<u>Transport &amp; Logistics</u> RM mil	<u>Energy &amp; Utilities</u> RM mil	<u>Engineering &amp; Construction</u> RM mil	<u>Corporate &amp; Others</u> RM mil	<u>Total</u> RM mil
<b><u>Revenue</u></b>					
Total	725	3,666	29	3	4,423
Inter-segment	(2)	(17)	(28)	-	(47)
External	723	3,649	1	3	4,376
<b><u>Results</u></b>					
Profit /(Loss) before taxation	82	454	(67)	(83)	386
Finance cost	81	554	-	73	708
Depreciation and amortisation	129	471	-	2	602
Earnings Before Interest, Tax, Depreciation and Amortisation	292	1,479	(67)	(8)	1,696

#### 10. Property, plant and equipment

Certain group properties were re-valued in the past. This revaluation was brought forward without any subsequent revaluation as allowed for under FRS 116.

#### 11. Events subsequent to the balance sheet date

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

**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:

- (a) On 25 April 2011, Teknik Janakuasa Sdn Bhd, a wholly-owned subsidiary of Malakoff Corporation Berhad, incorporated TJSB Services Sdn Bhd with an issued and paid-up capital of RM2.00, representing 2 ordinary shares of RM1.00 each.
  
- (b) On 24 May 2011, MMC Corporation Berhad disposed of 1,400,000 ordinary shares of RM1.00 each and 1,000 redeemable preference shares with a nominal value of RM1.00 each, representing 77.23% of the equity interest in Recycle Energy Sdn Bhd for a cash consideration of RM1.00 resulting in a gain of RM6.6 million.

The disposal had the following effects on the financial position of the Group:

	At date of disposal RM'000
Property, plant & equipment	45,455
Trade & other receivables	5,103
Minority interest	1,952
Cash & cash equivalents	(329)
Trade & other payables	(16,770)
Borrowings	(34,139)
Redeemable preference shares	(7,894)
Fair value of net assets disposed	(6,622)
Total disposal proceeds	-
<u>Gain on disposal to the Group</u>	<u>(6,622)</u>
Cash inflow arising from the disposal:	
Cash consideration	-
Cash and cash equivalents of subsidiary disposed	329
<u>Net cash inflow of the Group</u>	<u>329</u>

### 13. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2010 except for the following bank guarantees issued to third parties:

	30.06.11 RM million	31.12.10 RM million
Subsidiaries	<u>453.9</u>	<u>406.8</u>

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:

	30.06.11
	RM million
Property, plant and equipment:	
Authorised and contracted for	247.0
Authorised but not contracted for	244.1
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	491.1
	<hr/> <hr/>

## **Additional information required by the Bursa Securities Listing Requirements**

### **15. Review of performance**

The Group's profit before zakat and taxation for the six-months financial period ended 30 June 2011 of RM553.4 million was higher by RM167.8 million compared to the corresponding financial period ended 30 June 2010.

Higher profit recorded from **Energy & Utilities division** by RM121.8 million or 26.9% due to higher volume of gas sold, lower other operating expenses, improved associates performance and lower finance cost as a result of loan repayments during the period.

Higher profit recorded from **Transport & Logistics division** by RM54.7 million or 66.4% mainly driven by the increase in tonnage and throughput volume coupled with lower operating costs.

Better performance from the **Engineering & Construction division** by RM50.9 million or 75.9% mainly due to the absence of profit revisions for the double track project and lower provision on project losses of Zelan Berhad, an associate company of the group.

Lower contribution from **Corporate & Others division** by RM59.7 million or 71.8% due to lower gain on disposal of investment compared against the previous corresponding financial period coupled with higher finance cost.

**16. Variation of results against preceding quarter**

The Group recorded a profit before zakat and taxation of RM268.2 million in the current quarter as compared to RM285.2 million in the preceding quarter. This was mainly due to lower contribution from the energy and utilities division resulting from lower gross profit margin.

**17. Current prospects**

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

**18. Profit forecast or profit guarantee**

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

**19. Tax expense**

	3 months ended 30.6.11	3 months ended 30.6.10	Cumulative 6 months ended 30.6.11	Cumulative 6 months ended 30.6.10
	RM mil	RM mil	RM mil	RM mil
Current tax expense				
- current	(25)	(72)	(104)	(149)
- prior year	-	-	(2)	-
Deferred tax expense				
- current	(20)	84	(45)	78
- prior year	-	-	-	-
	<u>(45)</u>	<u>12</u>	<u>(151)</u>	<u>(71)</u>

The Group's effective tax rate for the six-months financial period is higher than the statutory income tax rate in Malaysia mainly due to the effect of the single tier tax system which resulted in higher interest restrictions, coupled with lower investment tax allowance recognised in the current period.

## 20. Unquoted investments and landed properties

There was no sale of unquoted investments and landed properties during the current quarter.

## 21. Quoted investments

a) There was no acquisition or disposal of quoted securities during the current quarter.

b) Investments in quoted shares as at 30 June 2011:

	At Cost	At Carrying Value	At Market Value
	RM mil	RM mil	RM mil
Quoted in Malaysia	16	86	86
Quoted outside Malaysia	13	10	10
Total quoted investments	29	96	96

## 22. Status of corporate proposals announced

There was no corporate proposal announced and pending completion by the Group during the current quarter. However, subsequent to the current quarter, on 16 August 2011, an announcement was made by MMC in relation to its proposal to list its subsidiary, Gas Malaysia Sdn Bhd on the Main Market of Bursa Malaysia Securities Berhad.



**23. Borrowings**

	<u>30.06.11</u>	<u>31.12.10</u>
	RM mil	RM mil
Current		
- secured	2,515	3,468
- unsecured	<u>622</u>	<u>524</u>
	<u>3,137</u>	<u>3,992</u>
- Redeemable convertible loans stocks - unsecured	<u>26</u>	<u>26</u>
Non-current		
- Term loans - secured	4,642	4,081
- Sukuk Ijarah Bonds - secured	-	239
- ABBA Bonds - secured	370	370
- Al-Istisna Bonds - secured	257	320
- Istisna Medium Term Notes - secured	3,510	3,730
- Sukuk Medium Term Notes - secured	5,279	5,258
- Junior Sukuk - secured	1,749	1,749
- Redeemable Unsecured Loan Stock - unsecured	132	150
- Government Loan - unsecured	<u>73</u>	<u>78</u>
	<u>16,012</u>	<u>15,975</u>
- Redeemable preference shares	<u>139</u>	<u>136</u>

**24. Realised and unrealised profit/losses disclosure**

The retained earnings as at 30 June 2011 is analysed as follows:

	As at 30.06.11 RM' 000
Total retained earnings of the Company and its subsidiaries:	
- Realised	2,524,057
- Unrealised	272,772
	<u>2,796,829</u>
Total retained earnings from associated companies:	
- Realised	(183,774)
- Unrealised	(28,371)
	<u>(212,145)</u>
Total retained earnings from jointly controlled entities:	
- Realised	(37,618)
- Unrealised	21
	<u>(37,597)</u>
Total retained earnings before consolidation adjustment	<u>2,547,087</u>
Less: Consolidation adjustment	(34,993)
Total retained earnings as per consolidated financial statements	<u>2,512,094</u>

**25. Changes in material litigation**

- a) On 16 August 2011, Prai Power Sdn Bhd ("PPSB"), a wholly-owned subsidiary of Malakoff Corporation Berhad, the Company's 51% owned subsidiary, filed a Statement of Claim in the arbitration proceedings against Sumitomo Corporation, Japan ("Sumitomo"), for Sumitomo's breach of the duty of care it owed to PPSB under the Engineering, Procurement and Construction Contract ("EPC Contract") entered into between PPSB and Sumitomo dated 12 October 2000.

Under the EPC Contract, Sumitomo was to inter alia design, engineer, manufacture, erect, install and commission the Prai Power Plant for PPSB.

PPSB's claim is that Sumitomo breached the obligations it owed to PPSB under the EPC Contract by supplying a rotor that was defective in design, manufacture and/or supply. The rotor was found damaged on 11 September 2006.

The total amount claimed by PPSB in its Statement of Claim is for the sum of RM83,608,019.43.

Based on solicitors' advice, PPSB believes that it has strong grounds for the claim.

Save as disclosed above, there are no significant changes in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries since the last audited balance sheet date as at 31 December 2010.

## **26. Dividend Payable**

No dividend has been recommended by the Directors for the current financial period ended 30 June 2011. No dividend was declared by the Directors for the corresponding financial period ended 30 June 2010.

**27. Earnings per ordinary share**

## Basic/Diluted Earnings Per Ordinary Share

	3 months ended <u>30.06.11</u>	3 months ended <u>30.06.10</u>	Cumulative 6 months ended <u>31.06.11</u>	Cumulative 6 months ended <u>31.06.10</u>
Profit for the period attributable to owners of the Parent (RM mil)	82	89	125	123
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)	2.7	2.9	4.1	4.0
Diluted earnings per ordinary share (sen)	2.7	2.9	4.1	4.0

The Redeemable Convertible Unsecured Loan Stocks issued by a subsidiary as disclosed in Note 23 do not have a material impact to the dilution of the Group's earnings per share.

**28. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors as of 23 August 2011.

By Order of the Board

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

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

Secretaries

Kuala Lumpur

23 August 2011