

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			Total	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			
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.

