

## MISC Berhad

(Company No. 8178 H)



This is a quarterly report on consolidated results for the period ended 30 June 2011.  
The figures not have been audited.

## Condensed Consolidated Income Statement

For The Period Ended 30 June 2011

	3 months ended 30 June		Year to Date ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Revenue</b>	<b>3,009,320</b>	<b>3,270,512</b>	<b>3,009,320</b>	<b>3,270,512</b>
Other operating income	104,617	337,179	104,617	337,179
<b>Operating profit</b>	<b>218,553</b>	<b>538,988</b>	<b>218,553</b>	<b>538,988</b>
Finance cost	(86,804)	(86,648)	(86,804)	(86,648)
Share of (loss)/profit of associates	(122)	64	(122)	64
Share of profit of jointly controlled entities	69,008	18,938	69,008	18,938
<b>Profit before tax</b>	<b>200,635</b>	<b>471,342</b>	<b>200,635</b>	<b>471,342</b>
Taxation	(12,801)	(10,261)	(12,801)	(10,261)
<b>Profit after tax</b>	<b>187,834</b>	<b>461,081</b>	<b>187,834</b>	<b>461,081</b>
<b>Profit attributable to:</b>				
Shareholders of the parent	121,077	427,980	121,077	427,980
Minority interests	66,757	33,101	66,757	33,101
	<b>187,834</b>	<b>461,081</b>	<b>187,834</b>	<b>461,081</b>
Earnings per share attributable to shareholders of the parent:				
(i) Basic (based on 4,463,794,000 ordinary shares) (sen)	2.7	9.6	2.7	9.6
(ii) Dilutive (based on 4,463,794,000 ordinary shares) (sen)	2.7	9.6	2.7	9.6

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(Company No. 8178 H)



This is a quarterly report on consolidated results for the period ended 30 June 2011.  
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## Condensed Consolidated Statement of Comprehensive Income

For The Period Ended 30 June 2011

	3 months ended 30 June		Year to Date ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Profit after tax</b>	<u>187,834</u>	<u>461,081</u>	<u>187,834</u>	<u>461,081</u>
<b>Income adjustments to reserves:</b>				
Fair value gain/loss on non-current investments	10,993	(21,879)	10,993	(21,879)
Fair value loss on cash flow hedges	(21,443)	(63,892)	(21,443)	(63,892)
Currency translation differences	24,841	(586,131)	24,841	(586,131)
Other capital reserves	(28)	-	(28)	-
Statutory reserves	(28)	-	(28)	-
<b>Total income adjustments to reserves</b>	<u>14,335</u>	<u>(671,902)</u>	<u>14,335</u>	<u>(671,902)</u>
<b>Total comprehensive income, net of tax</b>	<u>202,169</u>	<u>(210,821)</u>	<u>202,169</u>	<u>(210,821)</u>
<b>Attributable to:</b>				
Shareholders of the parent	135,549	(234,148)	135,549	(234,148)
Minority interests	<u>66,620</u>	<u>23,327</u>	<u>66,620</u>	<u>23,327</u>
	<u>202,169</u>	<u>(210,821)</u>	<u>202,169</u>	<u>(210,821)</u>

**Note:**

The Corporation had, on 2 March 2011 announced the change of its financial year end from 31 March to 31 December effective 1 April 2011 for period ending 31 December 2011.

## MISC Berhad

(Company No. 8178 H)



### Condensed Consolidated Statement of Financial Position

As at 30 June 2011

	30 June 2011	31 March 2011
	RM'000	RM'000
Ships	17,250,472	18,569,468
Offshore floating assets	7,583,703	6,794,926
Property, Plant and Equipment	2,408,884	1,454,129
Prepaid Land & Building Lease Payments	81,680	82,487
Finance Lease Receivables	192,901	212,788
Investments in Associates	483	605
Investments in Jointly Controlled Entities	3,187,971	3,100,087
Other non-current financial assets	493,250	498,496
Intangible Assets	841,151	848,699
Deferred Tax Asset	11,844	11,781
	<b>32,052,339</b>	<b>31,573,466</b>
<b>Current Assets</b>		
<i>Inventories</i>	408,334	403,973
<i>Trade &amp; Other Receivables</i>	1,390,261	1,309,515
<i>Cash</i>	3,398,816	3,352,727
<i>Amounts due from Group Companies</i>	159,275	676,178
<i>Amounts due from Associates</i>	1,954	1,420
<i>Amounts due from Jointly Controlled Entities</i>	1,444,599	915,369
<i>Assets held for sale</i>	80,316	84,825
	<b>6,883,555</b>	<b>6,744,007</b>
<b>Current Liabilities</b>		
<i>Short Term Borrowings</i>	1,586,036	1,247,261
<i>Trade &amp; Other Payables</i>	3,418,450	3,646,721
<i>Provision for Taxation</i>	36,425	43,058
<i>Amounts due to Group Companies</i>	71,818	59,150
<i>Amounts due to Associates</i>	3,176	2,419
<i>Amounts due to Jointly Controlled Entities</i>	340,882	31,209
<i>Liabilities of assets held for sale</i>	-	7,739
	<b>5,456,787</b>	<b>5,037,557</b>
<b>Net Current Assets</b>	<b>1,426,768</b>	<b>1,706,450</b>
	<b>33,479,107</b>	<b>33,279,916</b>
<b>Equity Attributable to Equity Holders of the Corporation</b>		
Share Capital	4,463,794	4,463,794
Share Premium	4,459,468	4,459,468
Reserves		
<i>Revaluation Reserve</i>	1,357	1,357
<i>Other Reserves</i>	(1,208,766)	(1,223,238)
<i>Statutory Reserve</i>	1,966	1,994
<i>Retained Profits</i>	14,329,692	14,208,587
	22,047,511	21,911,962
Non Controlling Interests	1,205,576	1,154,973
<b>Total equity</b>	<b>23,253,087</b>	<b>23,066,935</b>
<b>Non-Current Liabilities</b>		
<i>Long Term Borrowings</i>	9,990,243	10,008,122
<i>Deferred Taxation</i>	17,559	7,995
<i>Derivatives Liabilities</i>	218,218	196,864
	<b>33,479,107</b>	<b>33,279,916</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2011

## MISC Berhad

(Company No. 8178 H)



### Condensed Consolidated Statement of Cash Flow

For The Period Ended 30 June 2011

	<b>30 June 2011</b>	<b>30 June 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash Flow from Operating Activities	485,805	854,316
Cash Flow from Investing Activities	(677,017)	(952,171)
Cash Flow from Financing Activities	236,605	(82,555)
Net Change in Cash & Cash Equivalents	<u>45,393</u>	<u>(180,410)</u>
Cash & Cash Equivalents at the beginning of the year	3,352,727	7,849,080
Currency translation difference	696	(36,336)
Cash & Cash Equivalent at the end of the period	<u><b>3,398,816</b></u>	<u><b>7,632,334</b></u>

## MISC Berhad

(Company No. 8178 H)



### Condensed Consolidated Statement of Changes in Equity

For The Period Ended 30 June 2011

Attributable to equity holders of the Corporation

	Total Equity	Equity attributable to equity holders of the Corporation	Share Capital* Ordinary shares	Share Premium	Other reserves total	Retained profits	Other capital reserve	Capital reserve	Revaluation reserve	Statutory reserve	Capital redemption reserve	Fair value reserve	Hedging reserve	Currency translation reserve	Minority interest
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>3 MONTHS ENDED 30 JUNE 2011</b>															
<b>At 1 April 2011</b>	<b>23,066,935</b>	<b>21,911,962</b>	<b>4,463,794</b>	<b>4,459,468</b>	<b>(1,219,887)</b>	<b>14,208,587</b>	<b>41,443</b>	<b>435,284</b>	<b>1,357</b>	<b>1,994</b>	<b>59,715</b>	<b>225,183</b>	<b>(171,637)</b>	<b>(1,813,226)</b>	<b>1,154,973</b>
Total comprehensive income	202,169	135,549	-	-	14,472	121,077	(28)	-	-	(28)	-	10,993	(21,432)	24,965	66,620
<b>Transactions with Equity Holders</b>															
Transfer to/(from) reserves	-	-	-	-	(28)	28	-	-	-	-	-	-	-	-	-
Reclassification of reserves	-	-	-	-	-	-	-	-	-	-	-	(11,638)	-	11,638	-
Dividends	(16,017)	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,017)
<b>Total transactions with Equity holders</b>	<b>(16,017)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28)</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,638)</b>	<b>-</b>	<b>11,638</b>	<b>(16,017)</b>
<b>At 30 June 2011</b>	<b>23,253,087</b>	<b>22,047,511</b>	<b>4,463,794</b>	<b>4,459,468</b>	<b>(1,205,443)</b>	<b>14,329,692</b>	<b>41,415</b>	<b>435,284</b>	<b>1,357</b>	<b>1,966</b>	<b>59,715</b>	<b>224,538</b>	<b>(193,069)</b>	<b>(1,776,623)</b>	<b>1,205,576</b>
<b>3 MONTHS ENDED 30 JUNE 2010</b>															
<b>At 1 April 2010</b>	<b>24,036,209</b>	<b>23,661,972</b>	<b>4,463,794</b>	<b>4,459,468</b>	<b>422,959</b>	<b>14,315,751</b>	<b>41,342</b>	<b>1,185</b>	<b>1,381</b>	<b>1,242</b>	<b>59,715</b>	<b>189,119</b>	<b>(150,241)</b>	<b>279,216</b>	<b>374,237</b>
Total comprehensive income	(210,821)	(234,148)	-	-	(662,128)	427,980	-	-	-	-	-	(21,879)	(64,809)	(575,440)	23,327
<b>Transactions with Equity holders</b>															
Acquisition of a subsidiary	1,119	-	-	-	-	-	-	-	-	-	-	-	-	-	1,119
Disposal of a subsidiary	(11,210)	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,210)
Dividends	(6,774)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,774)
<b>Total transactions with Equity holders</b>	<b>(16,865)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,865)</b>
<b>At 30 June 2010</b>	<b>23,808,523</b>	<b>23,427,824</b>	<b>4,463,794</b>	<b>4,459,468</b>	<b>(239,169)</b>	<b>14,743,731</b>	<b>41,342</b>	<b>1,185</b>	<b>1,381</b>	<b>1,242</b>	<b>59,715</b>	<b>167,240</b>	<b>(215,050)</b>	<b>(296,224)</b>	<b>380,699</b>

\* Included in share capital is one preference share of RM1.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2011

## MISC Berhad

(Company No. 8178 H)

# Notes to The Condensed Financial Report

The figures have not been audited

### A1. ACCOUNTING POLICIES

The interim financial statements have been prepared under the historical cost convention except for the derivatives financial instruments and available-for-sale financial assets that have been measured at fair value.

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the year ended 31 March 2011.

### A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the quarterly condensed consolidated financial statements are consistent with those of the audited financial statements for the year ended 31 March 2011 except for the adoption of the new, revised and amended standards and interpretations which are mandatory for annual financial periods beginning on or after the following dates as noted below:

Standards/ IC Interpretations	Effective date
FRS 1: First-time Adoption of Financial Reporting Standards (Revised)	1-Jul-10
FRS 3: Business Combinations (Revised)	1-Jul-10
FRS 127: Consolidated and Separate Financial Statements (Revised)	1-Jul-10
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1-Jul-10
Amendment to FRS 138: Intangible Assets	1-Jul-10
IC Interpretation 12: Service Concession Arrangements	1-Jul-10
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1-Jul-10
IC Interpretation 17: Distribution of Non-cash Assets to Owners	1-Jul-10
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1-Jul-10
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate	30-Aug-10
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1-Jan-11
Amendments to FRS 1: Additional Exemption for First-time Adopters	1-Jan-11
<b>Improvements to FRSs 2010:</b>	
<i>Amendments to FRS 1: First-time Adoption of Financial Reporting Standards</i>	1-Jan-11
<i>Amendments to FRS 3: Business Combinations</i>	1-Jan-11
<i>Amendment to FRS 7: Financial Instruments: Disclosures</i>	1-Jan-11
<i>Amendments to FRS 101: Presentation of Financial Statements</i>	1-Jan-11
<i>Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates</i>	1-Jan-11
<i>Amendments to FRS 128: Investment in Associates</i>	1-Jan-11
<i>Amendments to FRS 131: Interest in Joint Ventures</i>	1-Jan-11
<i>Amendments to FRS 132: Financial Instruments: Presentation</i>	1-Jan-11
<i>Amendments to FRS 134: Interim Financial Reporting</i>	1-Jan-11
<i>Amendments to FRS 139: Financial Instruments: Recognition and Measurement</i>	1-Jan-11
<i>Amendments to IC Interpretation 13, Customer Loyalty Programmes</i>	1-Jan-11
Amendment to FRS 7, Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1-Jan-11
IC Interpretation 4, Determining Whether an Arrangement Contains a Lease	1-Jan-11
IC Interpretation 18: Transfers of Assets from Customers	1-Jan-11

Except for the changes in accounting policies arising from the adoption of the FRSs below, the Group expects that the adoption of other standards and interpretations above will have no material impact on the financial statements in the period of its initial application. The nature of the impending changes in accounting policy that have impact to the Group are described below:

**Revised FRS 3: Business Combinations and Amendments to FRS 127: Consolidated and Separate Financial Statement:**

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Such transactions will no longer give rise to goodwill. Some of the main changes are as follows:

1. Changes in parent's ownership interest in a subsidiary after control is obtained that do not result in loss of control are accounted for as equity transactions and disposals of equity interests while retaining control are accounted for as equity transactions.
2. Transactions resulting in a loss of control result in gain/loss being recognised in the income statement.
3. Losses applicable to the non-controlling interests, including negative other comprehensive income, are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Other consequential amendments have been made to FRS 107 Statement of Cash flows, FRS 112 Income Taxes, FRS 121 The effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures.

FRS 3 shall be applied prospectively, i.e. assets and liabilities that arose from business combinations prior to the application of this FRS shall not be adjusted upon application of this FRS.

**IC Interpretation 4: Determining Whether an Arrangement Contains a Lease**

This interpretation aims to provide guidance for determining whether certain arrangements are, or contain, lease that should be accounted for in accordance with FRS 117: Leases. It does not provide guidance whether such a lease should be classified as a finance lease or an operating lease.

It clarifies that an arrangement, although may not take the legal form of a lease, is treated as a lease when the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Some of the conditions to be satisfied for the treatment of a lease are as follows:

1. Purchaser has the right to operate or direct others to operate or control physical access to the asset.
2. It is remote that parties other than the purchaser will take more than an insignificant amount of the asset's output and the price is neither fixed nor at current market price.

This is the case if the purchaser has the right to operate or direct others to operate or control physical access to the asset. Another condition is that it is remote parties other than the purchaser will take more than an insignificant amount of the asset's output and the price is neither fixed nor at current market price.

The Group leasing arrangements involving its ships and offshore floating assets are handled via FRS 117: Leases, hence we do not expect any impact on the adoption of this IC.

**A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors issued an unqualified audit report in the financial statements for the year ended 31 March 2011.

**A4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group are subject to market fluctuations.

**A5. EXCEPTIONAL ITEMS**

There were no exceptional items during the quarter ended 30 June 2011.

#### A6. CHANGES IN ESTIMATES

There were no material changes in estimates reported in the prior period or prior financial year.

#### A7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares and resale of treasury shares during the current quarter ended 30 June 2011.

#### A8. DIVIDENDS

To date, the Corporation has not paid any dividend in the current financial year.

#### A9. SEGMENT REPORT

Segmental analysis for the current financial period to date is as follows:

	Energy Related Shipping <sup>1)</sup>	Other Energy Businesses <sup>2)</sup>	Integrated Liner Logistics	Others, eliminations and adjustments	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE AND RESULT					
Revenue					
Total Revenue - External sales	1,588,040	889,520	531,760	-	3,009,320
Inter-Segment	3,159	300,493	17,022	(320,674) *	-
	<u>1,591,199</u>	<u>1,190,013</u>	<u>548,782</u>	<u>(320,674)</u>	<u>3,009,320</u>
Result					
Operating profit	<u>265,518</u>	<u>148,295</u>	<u>(175,800)</u>	<u>(19,460) **</u>	<u>218,553</u>

1) LNG, petroleum and chemical

2) Offshore , heavy engineering and tank terminals (including VTTI)

\* Inter-segment revenue and transactions are eliminated on consolidation.

\*\* Comprise of net foreign exchange differences, interest income, dividend income from quoted investments, eliminations and adjustments.

#### A10. VALUATION OF PROPERTY

The valuations of land and buildings have been brought forward without any amendments from the most recent annual audited financial statements considering there were no asset revaluations performed in the current financial year.

#### A11. SUBSEQUENT MATERIAL EVENT

To date, there have been no material events subsequent to the current financial quarter.

#### A12. CHANGES IN THE COMPOSITION OF THE GROUP

No major changes were made in the composition of the Group during the current financial quarter.

#### A13. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	RM '000
<b>Secured</b>	
Bank guarantees extended to a third party	53,400
<b>Unsecured</b>	
Bank guarantees extended to third parties	33,872



#### A14. CAPITAL COMMITMENTS

	30 June 2011 RM'000	31 March 2011 RM'000
Approved and contracted for:		
<i>Group</i>	3,248,342	2,922,554
<i>Share of capital commitments in jointly controlled entities</i>	<u>814,418</u>	<u>502,882</u>
	<u><b>4,062,760</b></u>	<u><b>3,425,436</b></u>
Approved but not contracted for:		
<i>Group</i>	2,937,083	5,817,168
<i>Share of capital commitments in jointly controlled entities</i>	<u>737,853</u>	<u>942,774</u>
	<u><b>3,674,936</b></u>	<u><b>6,759,942</b></u>

The outstanding capital commitments include purchase and construction of ships, offshore floating assets and tank terminals.

#### B1. REVIEW OF PERFORMANCE

##### a) Quarter-on-Quarter

Revenue for the current quarter of RM3,009.3 million was 8.0% lower compared to last year's corresponding quarter of RM3,270.5 million. The lower revenue for the current quarter was mainly due to lower revenue in Heavy Engineering and Liner businesses. Higher revenue in Chemical and Offshore businesses helped to cushion the impact of revenue reduction in Heavy Engineering and Liner businesses.

The Group profit before tax of RM200.6 million, was 57.4% lower than the RM471.3 million recorded in the corresponding quarter. The decrease in profit was mainly due to losses in Petroleum business from weakening of freight rates and higher losses in Liner business from lower liftings.

#### B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group higher revenue in the current quarter of RM3,009.3 million compared to RM2,924.4 million recorded in the 4th quarter of last financial year. The 2.9% increase in revenue were mainly due to higher revenue in Petroleum and Offshore businesses.

The Group's profit before tax (excluding gains and impairment provisions for ships, loans and investments) of RM200.6 million was 17.2% higher than the RM171.2 million in the preceding quarter. The higher profit in this quarter was contributed mainly by lower losses in Petroleum business from reduced operating costs.

	Current Quarter RM'Million	Preceding Quarter RM'Million
<b>Profit before tax (excluding gain and impairment provision)</b>	200.6	171.2
add:		
Gain/ (loss) on disposal of ships	-	99.1
Gain on disposal of 33.5 % stake in MHB		
Less:		
Adjustment on gain on disposal of 33.5% stake in MHB	-	(36.4)
Provision for impairment of ships, loans and investments	-	(456.6)
<b>Profit before tax</b>	<u><b>200.6</b></u>	<u><b>(222.7)</b></u>

**B3. CURRENT YEAR PROSPECTS**

Secured long term contracts in LNG and Offshore businesses together with relatively steady revenue and margins in Heavy Engineering continue to provide stable income stream to the Group.

However, market conditions for the Liner, Petroleum and Chemical businesses are expected to remain weak and will have an adverse impact on the Group's performance.

**B4. VARIANCE OF ACTUAL RESULTS COMPARED WITH FORECASTED AND SHORTFALL IN PROFIT GUARANTEE**

To date, there have been no material sales of investments and/or properties in the current financial year.

**B5. TAXATION**

	Apr 11-Jun 11 RM '000
Taxation for the period comprises the following charge	
Income tax charge	
- current period	12,657
- prior year	228
Deferred taxation	<u>(84)</u>
	<u>12,801</u>

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54A of the Income Tax Act, 1967. The taxation charge for the Group is attributable to tax in respect of other activities of the Group.

**B6. PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES**

To date, the Group has not made any sales of investments and/or properties in the current financial year.

**B7. PURCHASES AND SALES OF QUOTED SECURITIES**

- i) To date, the Group has not made any purchases or sales of quoted securities in the current financial year.
- ii) Investments in quoted securities as at 30 June 2011 are as follows:-

Other Investments (Long Term)	RM '000
At cost	159,488
At carrying value	384,025
At market value	384,025

**B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

- a) The status of utilisation of proceeds raised from corporate proposals as at 10 August 2011 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

**Renounceable Rights Issue**

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	
	RM Million	RM Million		Amount RM Million	%
Capital expenditure	5,187.3	4,543.1	Within 36 months from the completion of the Rights Issue Exercise	-	-
Estimated expenses in relation to the Rights Issue Exercise	20.5	20.5	Within 3 months from the completion of the Rights Issue Exercise	-	-
<b>Total</b>	<b><u>5,207.8</u></b>	<b><u>4,563.6</u></b>		<b><u>-</u></b>	<b><u>-</u></b>

- b) The status of the utilisation of proceeds raised from MHB listing as at 10 August 2011 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	
	RM Million	RM Million		Amount RM Million	%
Capital expenditure	914.4	409.3	Within 36 months from the date of the Listing	-	-
Working Capital	122.5	122.5	Within 12 months from the date of the Listing	-	-
Estimated expenses in relation to the Proposed Offer for Sale and listing	14.0	11.0	Within 3 months from the date of the Listing	-	-
<b>Total</b>	<b><u>1,050.9</u></b>	<b><u>542.8</u></b>		<b><u>-</u></b>	<b><u>-</u></b>

**B9. GROUP BORROWINGS**

- i) The tenure of Group borrowings as at 30 June 2011 classified as short and long term as well as secured and unsecured categories are as follows :-

	RM '000
Short Term Borrowings	
Secured	584,708
Unsecured	<u>1,001,328</u>
	<u>1,586,036</u>
Long Term Borrowings	
Secured	1,435,716
Unsecured	<u>8,554,527</u>
	<u>9,990,243</u>
Total	<u><u>11,576,279</u></u>

- ii) Foreign borrowings in Ringgit Malaysia equivalent as at 30 June 2011 are as follows :-

	RM '000
US Dollars Borrowings	9,729,583

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments for the quarter ended 30 June 2011.

**B11. CHANGES IN MATERIAL LITIGATION**

There were no material litigation involving the Group for the quarter ended 30 June 2011.

**B12. DIVIDENDS**

No dividend has been proposed for the quarter ended 30 June 2011.

**B13. DERIVATIVES**

As part of the Group's efforts to hedge its interest rate risks, the Group has entered into interest rate swap arrangements, a form of derivative to convert our interest exposure from floating term into fixed term.

As at 30 June 2011, the fair value loss of the interest rate swaps with maturity exceeding three (3) years, for a notional value of RM4,212.3 million was RM212.2 million.

During the quarter, the Group has recognised a net loss of RM21,443,000 in its equity in relation to interest rate swap arrangements.

**B14. EARNINGS PER SHARE**

In respect of earnings per share :-

- i) The amount used as numerator for the calculation of basic earnings per share is RM121.1 million for the first quarter ended 30 June 2011 which is the same as the net profit shown in the condensed consolidated income statement.
- ii) The number of ordinary shares used as the denominator in calculating the basic earnings per share in the current and previous financial year is 4,464.0 million.
- iii) The number of ordinary shares used as the denominator in calculating the dilutive earnings per share in the current and previous financial year is 4,464.0 million.

The Group does not have any financial instrument which may dilute its basic earnings per share.

**B15. REALISED AND UNREALISED PROFIT**

The breakdown of the retained profits of the Group as at 30 June 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>30 June 2011</b>
	<b>RM'000</b>
Total retained profits of MISC Group and its subsidiaries:	
- Realised	17,106,215
- Unrealised	<u>(27,807)</u>
	<b><u>17,078,408</u></b>
Total share of retained loss from associates:	
- Realised	(2,013)
- Unrealised	<u>(54)</u>
	<b><u>(2,067)</u></b>
Total share of retained profits from jointly controlled entities :	
- Realised	171,665
- Unrealised	<u>67,266</u>
	<b><u>238,931</u></b>
Total Group retained profits	<b><u>17,315,272</u></b>
Less:	
Consolidation adjustments	(2,985,580)
Total Group retained profits as per consolidated accounts	<b><u>14,329,692</u></b>

By Order of the Board