

MISC Berhad

(Company No. 8178 H)



This is a quarterly report on consolidated results for the period ended 31 March 2011.
The figures have been audited.

Condensed Consolidated Income Statement

For The Year Ended 31 March 2011

	3 months ended 31 March		Year to Date ended 31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	2,924,355	3,307,432	12,325,639	13,775,074
Other operating income	234,332	79,325	675,289	249,964
Operating profit	180,154	442,669	1,508,968	1,316,205
Gain on dilution of 33.5% stake in MHB	(36,434)	-	1,400,147	-
Gain / (Loss) on disposal of ships	99,120	7,085	99,120	(21,207)
Impairment provisions	(456,648)	(49,582)	(576,648)	(49,582)
Finance cost	(87,320)	(102,547)	(346,875)	(366,882)
Share of profit /(loss) of associates	2,162	(214)	1,268	30
Share of profit/ (loss) of jointly controlled entities	76,309	(11,259)	158,283	33,350
Profit before tax	(222,657)	286,152	2,244,263	911,914
Taxation	12,630	(52,493)	(16,875)	(89,696)
Profit after tax	(210,027)	233,659	2,227,388	822,218
Profit attributable to:				
Shareholders of the parent	(307,879)	196,435	1,870,751	682,046
Minority interests	97,852	37,224	356,637	140,172
	(210,027)	233,659	2,227,388	822,218
Earnings per share attributable to shareholders of the parent:				
(i) Basic (based on 4,463,794,000 and 3,860,789,000 ordinary shares) (sen)	(6.9)	5.1	41.9	17.7
(ii) Dilutive (based on 4,463,794,000 and 3,860,789,000 ordinary shares) (sen)	(6.9)	5.1	41.9	17.7

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2010

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(Company No. 8178 H)



This is a quarterly report on consolidated results for the period ended 31 March 2011.
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Condensed Consolidated Statement of Comprehensive Income

For The Year Ended 31 March 2011

	3 months ended 31 March		Year to Date ended 31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit after tax	<u>(210,027)</u>	<u>233,659</u>	<u>2,227,388</u>	<u>822,218</u>
Income adjustments to reserves:				
Fair value gain on non-current investments	28,641	49,468	36,064	66,514
Fair value gain / (loss) on cash flow hedges	37,765	103,061	(11,609)	48,476
Currency translation differences	(711,389)	(703,073)	(2,129,802)	(1,792,795)
Other capital reserves	101	-	101	-
Revaluation reserves	(24)	-	(24)	-
Statutory reserves	124	-	124	-
Total income adjustments to reserves	<u>(644,782)</u>	<u>(550,544)</u>	<u>(2,105,146)</u>	<u>(1,677,805)</u>
Total comprehensive income, net of tax	<u>(854,809)</u>	<u>(316,885)</u>	<u>122,242</u>	<u>(855,587)</u>
Attributable to:				
Shareholders of the parent	(943,928)	(341,804)	(206,822)	(976,687)
Minority interests	<u>89,119</u>	<u>24,919</u>	<u>329,064</u>	<u>121,100</u>
	<u>(854,809)</u>	<u>(316,885)</u>	<u>122,242</u>	<u>(855,587)</u>

MISC Berhad

(Company No. 8178 H)



Condensed Consolidated Statement of Financial Position

As at 31 March 2011

	31 March 2011 RM'000	31 March 2010 RM'000 (Restated)
Ships	18,569,468	20,056,849
Offshore floating assets	6,794,926	6,911,217
Property, Plant and Equipment	1,454,129	1,299,853
Prepaid Land & Building Lease Payments	82,487	87,069
Finance Lease Receivables	212,788	-
Investments in Associates	605	2,715
Investments in Jointly Controlled Entities	3,100,087	551,911
Other non-current financial assets	498,496	956,229
Intangible Assets	848,699	963,298
Deferred Tax Asset	11,781	4,803
	31,573,466	30,833,944
Current Assets		
<i>Inventories</i>	403,973	344,560
<i>Trade & Other Receivables</i>	1,309,515	1,676,326
<i>Cash</i>	3,352,727	7,849,080
<i>Amounts due from Group Companies</i>	676,178	199,594
<i>Amounts due from Associates</i>	1,420	9,597
<i>Amounts due from Jointly Controlled Entities</i>	915,369	108,372
<i>Assets held for sale</i>	84,825	38,715
	6,744,007	10,226,244
Current Liabilities		
<i>Short Term Borrowings</i>	1,247,261	3,577,411
<i>Trade & Other Payables</i>	3,646,721	3,693,587
<i>Provision for Taxation</i>	43,058	77,539
<i>Amounts due to Group Companies</i>	59,150	129,397
<i>Amounts due to Associates</i>	2,419	7,380
<i>Amounts due to Jointly Controlled Entities</i>	31,209	128,998
<i>Liabilities of assets held for sale</i>	7,739	-
	5,037,557	7,614,312
Net Current Assets	1,706,450	2,611,932
	33,279,916	33,445,876
Equity Attributable to Equity Holders of the Corporation		
Share Capital	4,463,794	4,463,794
Share Premium	4,459,468	4,459,468
Reserves		
<i>Revaluation Reserve</i>	1,357	1,381
<i>Other Reserves</i>	(1,223,238)	420,336
<i>Statutory Reserve</i>	1,994	1,242
<i>Retained Profits</i>	14,208,587	14,315,751
	21,911,962	23,661,972
Minority interests	1,154,973	374,237
Total equity	23,066,935	24,036,209
Non-Current Liabilities		
<i>Long Term Borrowings</i>	10,008,122	9,194,263
<i>Deferred Taxation</i>	7,995	30,149
<i>Derivatives Liabilities</i>	196,864	185,255
	33,279,916	33,445,876

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2010

MISC Berhad

(Company No. 8178 H)



Condensed Consolidated Statement of Cash Flow

For The Year Ended 31 March 2011

	31 March 2011 RM'000	31 March 2010 RM'000
Cash Flow from Operating Activities	2,234,851	3,800,586
Cash Flow from Investing Activities	(4,006,326)	(4,721,931)
Cash Flow from Financing Activities	(2,627,426)	5,327,303
Net Change in Cash & Cash Equivalents	(4,398,901)	4,405,958
Cash & Cash Equivalents at the beginning of the year	7,849,080	3,725,436
Currency translation difference	(97,452)	(282,314)
Cash & Cash Equivalent at the end of the period	3,352,727	7,849,080

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2010

MISC Berhad

(Company No. 8178 H)



Condensed Consolidated Statement of Changes in Equity For The Year Ended 31 March 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	Net unrealised gains/(losses) 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	
12 MONTHS ENDED 31 MARCH 2011															
At 1 April 2010	24,036,209	23,661,972	4,463,794	4,459,468	422,959	14,315,751	41,342	1,185	1,381	1,242	59,715	38,878	279,216	374,237	
Total comprehensive income	122,242	(206,822)	-	-	(2,077,573)	1,870,751	101	-	(24)	124	-	14,668	(2,092,442)	329,064	
Transaction with Equity Holders															
Acquisition of a subsidiary	1,119	-	-	-	-	-	-	-	-	-	-	-	-	1,119	
Dilution of interest in subsidiaries	550,067	-	-	-	-	-	-	-	-	-	-	-	-	550,067	
Transfer to reserves	-	-	-	-	434,727	(434,727)	-	434,099	-	628	-	-	-	-	
Dividends	(1,642,702)	(1,543,188)	-	-	-	(1,543,188)	-	-	-	-	-	-	-	(99,514)	
Total transactions with Equity holders	(1,091,516)	(1,543,188)	-	-	434,727	(1,977,915)	-	434,099	-	628	-	-	-	451,672	
At 31 March 2011	23,066,935	21,911,962	4,463,794	4,459,468	(1,219,887)	14,208,587	41,443	435,284	1,357	1,994	59,715	53,546	(1,813,226)	1,154,973	
12 MONTHS ENDED 31 MARCH 2010															
At 1 April 2009 (restated)	21,072,169	20,732,073	3,719,828	-	2,081,692	14,930,553	41,342	1,185	1,381	1,242	59,715	(59,057)	2,035,884	340,096	
Total comprehensive income	(855,587)	(976,687)	-	-	(1,658,733)	682,046	-	-	-	-	-	97,935	(1,756,668)	121,100	
Transaction with Equity holders															
Issuance of rights shares	743,966	743,966	743,966	-	-	-	-	-	-	-	-	-	-	23,908	
Share premium, net of transaction costs	4,459,468	4,459,468	-	4,459,468	-	-	-	-	-	-	-	-	-	-	
Issuance of new shares of a subsidiary	23,908	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal of shares of a subsidiary	(33)	-	-	-	-	-	-	-	-	-	-	-	-	(33)	
Dividends	(1,407,682)	(1,296,848)	-	-	-	(1,296,848)	-	-	-	-	-	-	-	(110,834)	
Total transactions with Equity holders	3,819,627	3,906,586	743,966	4,459,468	-	(1,296,848)	-	-	-	-	-	-	-	(86,959)	
At 31 March 2010	24,036,209	23,661,972	4,463,794	4,459,468	422,959	14,315,751	41,342	1,185	1,381	1,242	59,715	38,878	279,216	374,237	

* 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 2010

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(Company No. 8178 H)

Notes to The Condensed Financial Report

The figures have 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 2010. 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 2010.

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 2010 except for the adoption of the new standards and interpretations which are mandatory for annual financial periods beginning on or after 1 July 2009 and 1 January 2010, noted below:

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (Revised)

Amendment to FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 7: Financial Instruments - Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs ' Improvements to FRSs (2009)

IC Interpretation 11: FRS 2: Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

FRS 4: Insurance Contracts and TR i-3: Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual financial period beginning on or after January 2010. These FRSs are, however, not applicable to the Group.

The new and revised FRSs and Interpretations above are expected to have no significant financial impact on the financial statements of the Group upon initial application except for the following:

FRS 8: Operating Segments

FRS 8, which replaces FRS 114²⁰⁰⁴: Segment Reporting, specifies how entity should report its operating segments, based on the information about the components of the entity available to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS114²⁰⁰⁴.

FRS 101: Presentation of Financial Statements (Revised)

The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will only include details of transactions with owners, with all non-owner changes in equity presented as a single line labelled as total comprehensive income. In addition, the revised standard introduces the statement of comprehensive income that presents all items of income and expense recognised in income statement, together with all other items of recognised income and expense, that is recognised directly in equity, either in one single statement, or in two linked statements.

The Group has elected to present this statement as a two-linked statement. However, for subsidiaries that do not have any movement in their statement of comprehensive income, they are allowed to opt for single statement presentation.

In addition, a statement of financial position is required at the beginning of earliest comparative period following a change in accounting policy, correction of an error or change in classification of items in the financial statements.

This is a disclosure standard with no impact on the financial position or financial performance of the Group and the Group has adopted the standard retrospectively.

FRS 117: Leases

FRS 117; leases clarifies on the classification of leases of land and buildings. For those land element held under operating leases that are required to be reclassified as finance leases, the group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings.

The Group had applied the standard retrospectively. Certain comparatives of the statement of the financial position as at 31 March 2010 have been restated as set out below:

	As previously stated	Effects of adoption	Restated
	RM'000	RM'000	RM'000
Property, Plant and Equipment	1,260,933	38,920	1,299,853
Prepaid Land & Building Lease			
Building Payments	125,989	(38,920)	87,069

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The was no qualified audit report issued by the auditors in the annual financial statements for the year ended 31 March 2010.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are subject to market fluctuations.

A5. EXCEPTIONAL ITEMS

For the current quarter under review, the Group has recognised a total of RM456.6 million impairment losses in respect of its ships and loans to jointly controlled entities.

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 31 March 2011.

A8. DIVIDENDS

The Company paid a final dividend of 20 sen per share tax exempt (2008/2009: 20 sen) on 30 August 2010 in respect of the 2009/2010 financial year, totalling RM872.3 million (2008/2009: RM732.2million).

The Company also paid an interim dividend of 15 sen per share tax exempt on 23 December 2010,(2008/2009: 15 sen) in respect of the 2010/2011 financial year amounting to RM670.9 million.

A9. SEGMENT REPORT

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

	Energy Related Shipping ¹⁾	Other Energy Businesses ²⁾	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	6,223,551	3,743,869	2,358,219	-	12,325,639
Inter-Segment	88,146	1,603,188	158,227	(1,849,561) *	-
	<u>6,311,697</u>	<u>5,347,057</u>	<u>2,516,446</u>	<u>(1,849,561)</u>	<u>12,325,639</u>
Result					
Operating profit	<u>1,348,909</u>	<u>728,400</u>	<u>(566,467)</u>	<u>(1,874) **</u>	<u>1,508,968</u>

1) LNG, petroleum and chemical

2) Offshore , heavy engineering and tankage (including VTTI)

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

** Comprise of net foreign exchange gains, 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

There were no material events subsequent to the current financial quarter to date.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no major changes in the composition of the Group during the current financial quarter.

A13. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	RM '000
Secured	
Bank guarantees extended to a third party	53,400
Unsecured	
Bank guarantees extended to third parties	39,975

A14. CAPITAL COMMITMENTS

	31 March 2011 RM'000	31 March 2010 RM'000 (Audited)
Approved and contracted for:		
Group	2,922,554	3,240,263
Share of capital commitments in jointly controlled entities	502,881	354,174
	3,425,435	3,594,437
Approved but not contracted for:		
Group	5,659,851	5,783,465
Share of capital commitments in jointly controlled entities	942,774	299,291
	6,602,625	6,082,756

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 RM2,924.4 million was 11.6% lower compared to last year's corresponding quarter of RM3,307.4 million. The lower revenue for the current quarter was mainly due to lower revenue in Heavy Engineering business, offset by higher revenue from Integrated Liner Logistics segment.

The Group recorded lower profit before tax (excluding gains and impairment provisions for ships, loans and investments) of RM171.1 million, was 50.1% lower than the RM342.8 million recorded in the corresponding quarter primarily due to higher losses in Petroleum and lower profit in Heavy Engineering business.

	Current Quarter RM' Million	Corresponding Quarter RM'Million
Profit before tax (excluding gains and impairment provisions)	171.1	342.8
add:		
Gain/ (loss) on disposal of ships	99.2	(7.1)
Less:		
Adjustment on gain on disposal of 33.5% stake in MHB	(36.4)	-
Provision for impairment of ships, loans and investments	(456.6)	(49.6)
Profit before tax	(222.7)	286.1

b) Year-on-Year

The Group's revenue for the year decreased by 10.5% to RM12,325.6 million, as compared to RM13,775.1 million recorded in the preceding year mainly attributed to lower revenue from Liner and Heavy Engineering businesses.

The Group's profit before tax (excluding gains and impairment provisions for ships, loans and investments) for the full financial year of RM1,321.7 million was 34.5% higher than the profit before tax of RM982.7 million in preceding year largely due to lower losses in Liner business and higher contributions from Offshore and Heavy Engineering segments.

	Current Year	Preceding Year
	RM'Million	RM'Million
Profit before tax (excluding gains and impairment provisions)	1,321.7	982.7
Add:		
Gain on disposal of 33.5 % stake in MHB	1,400.1	-
Gain/(loss) on disposal of ships	99.1	(21.2)
Less:		
Provision for impairment of ships, loans and investments	(576.6)	(49.6)
Profit before tax	2,244.3	911.9

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded lower revenue in the current quarter of RM2,924.4 million compared to RM3,045.6 million recorded in the 3rd quarter of this financial year, representing a reduction of 4.0%, primarily due to lower revenue from Heavy Engineering business.

The Group's profit before tax (excluding gains and impairment provisions for ships, loans and investments) of RM171.1 million was 34.9% lower than the RM263.0 million achieved in the preceding quarter. The lower profit recorded was mainly due to higher losses from Petroleum business.

	Current Quarter	Preceding Quarter
	RM'Million	RM'Million
Profit before tax (excluding gains and impairment provisions)	171.1	263.0
add:		
Gain/ (loss) on disposal of ships	99.2	
Gain on disposal of 33.5 % stake in MHB		1,436.6
Less:		
Adjustment on gain on disposal of 33.5% stake in MHB	(36.4)	-
Provision for impairment of ships, loans and investments	(456.6)	(120.3)
Profit before tax	(222.7)	1,579.3

B3. CURRENT YEAR PROSPECTS

Within our energy related shipping segments, the LNG business continues to provide stability to the Group via its stream of secured and recurring earnings through its portfolio of long term contracts. However, we expect the market to be challenging for the petroleum and chemical tanker businesses due to a prolonged overcapacity in the industry.

As for our integrated liner logistics segment, we see improvements in our operations as a result of the restructuring and repositioning of MISC as an Intra-Asian player at the beginning of 2010.

Meanwhile, the healthy level of activities and buoyant spending in exploration and production within the domestic and regional energy scene continue to bode well for our heavy engineering and offshore businesses.

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

The Company did not provide any profit forecast or profit guarantee in any public document.

B5. TAXATION

	Jan 11-Mar 11 RM '000	Apr 11-Mar 11 RM '000
Taxation for the period comprises the following charge		
Income tax charge		
- current period	22,325	81,112
- prior year	11,592	(35,066)
Deferred taxation	(46,547)	(29,171)
	<u>(12,630)</u>	<u>16,875</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

During the financial year under review, the Group has disposed 33.5% investment in its wholly-owned subsidiary i.e. MHB and recognised a gain of RM1,400.1 million from its disposal.

B7. PURCHASES AND SALES OF QUOTED SECURITIES

- i) There were no purchases and sales of quoted securities for the current financial year to date.
- ii) Investments in quoted securities as at 31 March 2011 are as follows:-

Other Investments (Long Term)	RM '000
At cost	159,488
At carrying value	373,982
At market value	373,982

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

- a) The status of utilisation of proceeds raised from corporate proposals as at 5 May 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	3,926.3	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	-	-
Total	5,207.8	3,946.8		-	-

- b) The status of the utilisation of proceeds raised from MHB listing as at 5 May 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	265.1	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	-	-
Total	1,050.9	398.6		-	-

B9. GROUP BORROWINGS

- i) The tenure of Group borrowings as at 31 March 2011 classified as short and long term as well as secured and unsecured categories are as follows :-

	RM '000
Short Term Borrowings	
Secured	397,175
Unsecured	850,086
	<u>1,247,261</u>
Long Term Borrowings	
Secured	1,454,364
Unsecured	8,553,758
	<u>10,008,122</u>
Total	<u>11,255,383</u>

- ii) Foreign borrowings in Ringgit Malaysia equivalent as at 31 March 2011 are as follows :-

	RM '000
US Dollars Borrowings	9,405,971

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the quarter ended 31 March 2011.

B11. CHANGES IN MATERIAL LITIGATION

There were no material litigation involving the Group.

B12. DIVIDENDS

The Board of Directors has declared a final dividend of 10 sen per share tax exempt dividend (2009/2010: 20 sen) in respect of the 2010/2011 financial year amounting to RM 446.4 million (2009/2010 : RM892.8 million). The proposed dividend will be paid on 20 October 2011 to shareholders registered at the close of the business on 28 September 2011. A depositor shall qualify for entitlement only in respect of:

- securities transferred into the Depositor's Securities Account before 4:00 pm on 28 September 2011 in respect of Ordinary Transfer; and
- shares bought on the "BMSB" on a cum entitlement basis according to the rules of "BMSB".

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 31 March 2011, the fair value loss of the interest rate swaps with maturity exceeding three (3) years, for a notional value of RM3,967.7 million was RM196.9 million.

During the year, the Group has recognised a net loss of RM11,609,000 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 RM307.9 million for the fourth quarter ended 31 March 2011 and RM1,870.7 million for the current financial year which are the same as the net loss/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 financial year is 4,464.0 million and 3,861.0 million for the previous financial year.
- iii) The number of ordinary shares used as the denominator in calculating the dilutive earnings per share in the current financial year is 4,464.0 million and 3,861.0 million for the previous financial year.

The Group does not have any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

B15. REALISED AND UNREALISED PROFIT

The breakdown of the retained profits of the Group as at 31 March 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.

	31 March 2011
	RM'000
Total retained profits of MISC Group and its subsidiaries:	
- Realised	17,127,139
- Unrealised	(148,684)
	<u>16,978,455</u>
Total share of retained loss from associates:	
- Realised	(1,891)
- Unrealised	(54)
	<u>(1,945)</u>
Total share of retained profits from jointly controlled entities :	
- Realised	185,429
- Unrealised	(158)
	<u>185,271</u>
Total Group retained profits	<u>17,161,781</u>
Less:	
Consolidation adjustments	(2,953,194)
Total Group retained profits as per consolidated accounts	<u>14,208,586</u>

By Order of the Board