

MUHIBBAH ENGINEERING (M) BHD
(Company No : 12737-K)
(Incorporated in Malaysia)

ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.12.2012 RM'000	AUDITED AS AT 31.12.2011 RM'000
Assets		
Property, plant and equipment	719,892	764,381
Investment in associates	171,086	141,853
Goodwill and other intangible assets	1,583	-
Other non-current assets	16,268	20,714
Total non-current assets	908,829	926,948
Receivables, deposits and prepayments	914,581	891,074
Amount due from contract customers	492,910	536,876
Inventories	209,913	202,965
Current tax assets	4,183	1,381
Derivative assets	1,186	6,438
Cash and cash equivalents	331,561	323,241
Total current assets	1,954,334	1,961,975
Total assets	2,863,163	2,888,923
Equity		
Share capital	204,124	204,107
Reserves	245,076	311,286
Total equity attributable to owners of the Company	449,200	515,393
Non-controlling interests	163,880	124,583
Total equity	613,080	639,976
Liabilities		
Payables and accruals	14,017	14,970
Loans and borrowings	214,385	234,264
Deferred tax liabilities	47,174	46,492
Total non-current liabilities	275,576	295,726
Provision, payables and accruals	620,670	739,558
Amount due to contract customers	439,203	289,936
Bills payables	686,843	698,705
Derivative liabilities	73	-
Loans and borrowings	211,563	215,523
Tax liabilities	16,155	9,499
Total current liabilities	1,974,507	1,953,221
Total liabilities	2,250,083	2,248,947
Total equity and liabilities	2,863,163	2,888,923
Net assets per share attributable to owners of the Company (RM)	1.11	1.27

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue		961,703	595,206	2,586,417	2,026,366
Cost of sales and operating expenses		(1,109,130)	(577,185)	(2,669,953)	(1,944,711)
Other income		(1,035)	10,161	7,815	18,842
Results from operating activities		(148,462)	28,182	(75,721)	100,497
Interest income (including MFRS 139)		8,458	4,532	11,853	11,185
Finance costs (including MFRS 139)		(5,983)	(12,041)	(21,818)	(28,333)
Operating profit		(145,987)	20,673	(85,686)	83,349
Share of profit after tax and minority interest of equity accounted associates		14,296	9,414	43,978	28,367
(Loss)/ profit before tax		(131,691)	30,087	(41,708)	111,716
Tax expense	19.	(14,164)	(7,264)	(26,639)	(29,184)
(Loss)/ profit for the period		(145,855)	22,823	(68,347)	82,532
Other comprehensive income					
Foreign currency translation differences for foreign operations		(467)	(2,307)	(5,177)	3,283
Movement in revaluation of property, plant equipment, net of tax		56,239	-	56,239	-
Other comprehensive income for the period		55,772	(2,307)	51,062	3,283
Total comprehensive income for the period		(90,083)	20,516	(17,285)	85,815
Profit attributable to:					
Owners of the Company		(150,734)	14,972	(98,027)	63,772
Non-controlling interests		4,879	7,851	29,680	18,760
Profit for the period		(145,855)	22,823	(68,347)	82,532
Total comprehensive income attributable to:					
Owners of the Company		(100,135)	13,643	(51,987)	67,112
Non-controlling interests		10,052	6,873	34,702	18,703
Total comprehensive income for the period		(90,083)	20,516	(17,285)	85,815
Earnings per ordinary share					
Basic (Sen)	23.	(37.08)	3.68	(24.12)	15.85
Diluted (Sen)	23.	(36.52)	3.50	(23.75)	15.41

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)**

	← Attributable to shareholders of the Company →				Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	← Non-distributable →		Distributable					
	Share capital RM'000	Treasury shares RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000				
At 1 January 2011								
As previously stated	199,196	(5,561)	128,850	(1,266)	130,295	451,514	107,551	559,065
Effect of adopting MFRS	-	-	-	1,266	(1,266)	-	-	-
At 1 January 2011, restated	199,196	(5,561)	128,850	-	129,029	451,514	107,551	559,065
Foreign currency translation differences for foreign operations	-	-	-	3,340	-	3,340	(57)	3,283
Profit for the period	-	-	-	-	63,772	63,772	18,760	82,532
Total comprehensive income for the period	-	-	-	3,340	63,772	67,112	18,703	85,815
Share option exercised	4,911	-	98	-	-	5,009	1,297	6,306
Share option forfeited	-	-	(1,605)	-	1,605	-	-	-
Share-based payments	-	-	2,424	-	-	2,424	246	2,670
Transfer to capital redemption reserve pursuant to redemption of preference shares	-	-	625	-	(625)	-	-	-
Premium on redemption of preference shares of subsidiary	-	-	-	-	-	-	(429)	(429)
Acquisition of subsidiary	-	-	-	-	-	-	3,576	3,576
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,572)	(1,572)
Dilution of interest in subsidiary	-	-	-	-	-	-	372	372
Dividends to owner of the Company	-	-	-	-	(10,666)	(10,666)	-	(10,666)
Dividends to non-controlling interest	-	-	-	-	-	-	(5,161)	(5,161)
At 31 December 2011, as restated	204,107	(5,561)	130,392	3,340	183,115	515,393	124,583	639,976
At 1 January 2012								
As previously stated	204,107	(5,561)	130,392	2,074	184,381	515,393	124,583	639,976
Share option forfeited	-	-	(604)	-	604	-	-	-
Effect of adopting MFRS	-	-	-	1,266	(1,266)	-	-	-
At 1 January 2012, restated	204,107	(5,561)	129,788	3,340	183,719	515,393	124,583	639,976
Foreign currency translation differences for foreign operations	-	-	-	(4,873)	-	(4,873)	(304)	(5,177)
Movement in revaluation of property, plant and equipment, net of tax	-	-	50,913	-	-	50,913	5,326	56,239
Profit for the period	-	-	-	-	(98,027)	(98,027)	29,680	(68,347)
Total comprehensive income for the period	-	-	50,913	(4,873)	(98,027)	(51,987)	34,702	(17,285)
Share options exercised	17	-	13	-	-	30	924	954
Share-based payments	-	-	8,421	-	-	8,421	735	9,156
Capitalisation of retained earnings pursuant of bonus issued by subsidiary	-	-	3,000	-	(3,000)	-	-	-
Issued of shares to non-controlling interest	-	-	-	-	-	-	1,745	1,745
Dilution of interest in subsidiary	-	-	-	-	(7,416)	(7,416)	7,416	-
Dividends to owner of the Company	-	-	-	-	(15,241)	(15,241)	-	(15,241)
Dividends to non-controlling interest	-	-	-	-	-	-	(6,225)	(6,225)
At 31 December 2012	204,124	(5,561)	192,135	(1,533)	60,035	449,200	163,880	613,080

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)**

	Unaudited YTD 31.12.2012 RM'000	Unaudited YTD 31.12.2011 RM'000
Profit before tax	(41,708)	111,716
Adjustment for:		
Bad debts written off	4,122	325
Bad debts recovered	-	(256)
Depreciation and amortisation	44,579	41,253
Development costs written off	-	7,819
Fair value adjustment on derivative instruments	5,325	31,365
Finance costs	44,165	43,469
Finance costs under MFRS 139	(251)	2,633
(Gain)/ loss on disposal of property, plant and equipments	(1,895)	(1,024)
Impairment loss on goodwill	-	14,400
Impairment loss on receivables	248,378	20,749
Reversal of impairment loss on receivables	(14,580)	(14,081)
Impairment loss on development costs	-	7,805
Interest income	(5,824)	(4,438)
Interest income under MFRS 139	(6,029)	(6,747)
Inventories written off	-	3,680
Property, plant and equipment written off	216	579
Premium on redemption of preference shares of subsidiary	-	(429)
Provision for warranties	6,266	5,681
Reversal of impairment on other investment	(2)	(22)
Reversal of provision for warranties	(3,980)	(9,163)
Share based payment	9,156	2,670
Share of profit of associates	(43,978)	(28,367)
Write-down of inventories	752	1,302
Operating profit before changes in working capital	244,712	230,919
Receivables, deposits and prepayments	(279,604)	3,842
Inventories	(7,700)	(28,829)
Payables and accruals	(20,353)	(64,580)
Amount due to/ (from) contract customers	236,317	58,109
Cash generated from/ (used in) operations	173,372	199,461
Net income taxes paid	(21,978)	(29,803)
Net cash generated from/(used in) operating activities	151,394	169,658
Cash flows from investing activities		
Additions to development expenditures	(806)	(6,269)
Acquisition of subsidiary, net of cash inflow	-	3,576
Acquisition of non-controlling interest	-	(1,572)
Dividend received from associates	19,626	23,741
Investment in associates	(8,389)	(223)
Interest received	5,824	4,438
Proceed from disposal of property, plant and equipment	8,874	14,111
Purchase of property, plant and equipment	(70,569)	(191,822)
Purchase of other non-currents assets	(1,800)	(500)
Net cash used in investing activities	(47,240)	(154,520)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)
(cont'd)**

	Unaudited YTD 31.12.2012 RM'000	Unaudited YTD 31.12.2011 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(15,241)	(10,666)
Dividend paid to non-controlling interest	(6,225)	(5,161)
Interest paid	(44,165)	(43,469)
Proceed from exercise of share options	30	5,009
Proceed from issuance of shares to non-controlling interests in subsidiary	2,669	1,297
Net drawdown/ (repayment) of loans and borrowings	(43,935)	163,030
Net cash generated from financing activities	(106,867)	110,040
Currency translation differences	2,799	(1,686)
Net increase in cash and cash equivalents	86	123,492
Cash and cash equivalents at 1 January	315,834	192,342
Cash and cash equivalents at 31 December	315,920	315,834

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	31.12.2012 RM'000	31.12.2011 RM'000
Cash and bank balances	224,201	225,008
Deposits placed with licensed banks	107,360	98,233
Cash and cash equivalents per balance sheet	331,561	323,241
Bank overdrafts	(15,641)	(7,407)
	315,920	315,834

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements)

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ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements"), including compliance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2011, except for the adoption of new MFRS framework.

Details of these changes in accounting policies are set out in Note 2. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

2. CHANGES IN ACCOUNTING POLICIES

These interim financial statements for the period ended 31 March 2012, is the first interim financial statements that the Group had prepared in accordance with MFRSs. The audited financial statements for the financial year ended 31 December 2011 were prepared under Financial Reporting Standards ("FRS"). Except for certain differences, the requirements under FRS and MFRS are similar. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1. The impact of the transition from FRS to MFRS are described below:

Foreign currency translation reserve ("FCTR")

At the date of transition to MFRS, the cumulative foreign currency differences of RM1,266,000 is adjusted to retained earnings. The reconciliation of equity for comparative periods and of equity at date of transition reported under FRS to those reported for periods and at the date of transition under MFRS is as follows:-

Reconciliation of equity as at 1 January 2011

	FRS as at 1.1.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 1.1.2011 RM'000
Equity			
FCTR	(1,266)	1,266	-
Retained earnings	130,295	(1,266)	129,029

Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 31.12.2011 RM'000
Equity			
FCTR	2,074	1,266	3,340
Retained earnings	184,381	(1,266)	183,115

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations ("IC Int.") were in issued but not yet effective:

		<u>Effective Date</u>
• MFRS 9	Financial Instruments	1 January 2015
• MFRS 10	Consolidated Financial Statements	1 January 2013
• MFRS 11	Joint Arrangements	1 January 2013
• MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
• MFRS 13	Fair Value Measurement	1 January 2013
• MFRS 119	Employee Benefits	1 January 2013
• MFRS 127	Separate Financial Statements	1 January 2013
• MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
• Amendments to MFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
• Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
• IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

3. AUDIT REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2011

The Auditors' Report of the financial statements for the preceding financial year was not subject to audit qualification.

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

5. EXCEPTIONAL OR UNUSUAL ITEMS

There were no exceptional or unusual items affecting financial statements of the Group for the current quarter under review other than as disclosed.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior interim periods and prior financial years that have a material effect in the current quarter under review.

7. DEBT AND EQUITY SECURITIES

During the period ended 31 December 2012, a total of 35,000 new ordinary shares of RM0.50 each was issued pursuant to the exercise of the Employees' Share Option Scheme.

Other than as mentioned above, there were no cancellation, repurchase, resale and repayment of debts and equity securities during the period under review.

8. DIVIDEND PAYMENT

A first and final ordinary dividend of 5.00 sen per ordinary share of RM0.50 each totalling RM15.241 million in respect of the year ended 31 December 2011 was approved by shareholders and paid on 10 August 2012.

The Directors recommended that a first and final dividend of 5% (2.50 sen) per ordinary share of RM0.50 each less tax at 25% totaling RM7.6 million for the year ended 31 December 2012, subject to approval of the shareholders at the forthcoming Annual General Meeting.

9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Year ended 31.12.2012	
	Revenue RM'000	Profit/(Loss) before tax RM'000
Infrastructure construction	2,245,223	(107,925)
Cranes	696,472	66,726
Marine ship repair and ship building	280,932	59,438
Concession	-	36,760
	<hr/>	<hr/>
	3,222,627	54,999
Less: Group eliminations	(636,210)	(96,707)
	<hr/>	<hr/>
	<u>2,586,417</u>	<u>(41,708)</u>

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There is revaluation surplus for the freehold lands of the Group as at 31 December 2012 of RM56.2 million based on fair valuation performed by independent valuers.

11. MATERIAL SUBSEQUENT EVENTS

There is no material subsequent event from the end of the period to 21 February 2013.

12. MATERIAL CHANGES IN THE GROUP'S COMPOSITION

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

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Since the last annual balance sheet as at 31 December 2011, there were no material changes in the contingent liabilities of the Company except for the following:

Corporate guarantees for credit facilities granted to subsidiary companies	<u>RM'000</u> <u>151,842</u>
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14. COMPARISON WITH PRECEDING QUARTER RESULTS (Q4 2012 vs. Q3 2012)

The Group generated revenue of RM961.7 million, an increase of 66% as compare to turnover of RM580.2 million for the quarter ended 31 September 2012.

For the quarter under review, the construction division of the Group has made full provision for the remaining net exposure of debts due from Asia Petroleum Hub Sdn Bhd ("APH") amounting to RM245 million during the quarter ended 31 December 2012. This has resulted the Group reporting a loss before taxation of RM 131.7 million for this quarter as compared to a profit before tax of RM36.5 million for the preceding quarter.

15. REVIEW OF GROUP PERFORMANCE (YTD Q4 2012 vs. YTD Q4 2011)

The Group reported a higher revenue of RM2.59 billion for the year ended 31 December 2012, representing an increase of 28% as compared to revenue of RM2.03 billion for the year ended 31 December 2011.

The Group has made full provision for the remaining net exposure of debts due from APH of RM245 million for the year ended 31 December 2012, while continuing discussion and pursuing recovery actions. This has resulted a Group loss before tax of RM41.7 million for the year under review. Excluding this provision made, the Group is reporting a profit before tax of RM203.3 million for the year ended 31 December 2012 as compared to profit before tax of RM 117.7 million for the year ended 31 December 2011.

The crane division has generated higher revenue and profit for the year ended 31 December 2012 with more sales order for oil and gas cranes and improvement in productivity. The concession division has also reported higher contribution with more airport passengers arrivals in Cambodia.

16. GROUP'S CURRENT YEAR PROSPECT

a) Secured Order Book

As at 21 February 2013, the total outstanding secured order book in hand of the Group is RM2.22 billion with orders up to year 2014, comprises of RM1.34 billion from Infrastructure Construction Division, RM634 million from Cranes Division and RM244 million from Shipyard Division.

b) Current Year Prospect

The Group continues its efforts to secure more projects and orders from both local and international market especially from the oil & gas, infrastructure and marine industries.

17. PROFIT FORECAST

The Group has not issued any profit forecast or profit guarantee during the current quarter under review.

18. OPERATING PROFIT

	Current Quarter 31.12.2012 RM'000	Cumulative Qtr To date 31.12.2012 RM'000
Operating profit is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	7,021	44,579
Finance costs		
-Income statement	6,234	22,069
-contract cost	4,890	22,096
	<u>11,124</u>	<u>44,165</u>
Finance costs under MFRS 139	(401)	(251)
Interest income	(2,473)	(5,824)
Interest income under MFRS 139	(5,985)	(6,029)
(Gain)/loss on derivatives/ foreign exchange	6,345	5,892
(Gain)/loss on disposal of property,plant and equipment	(32)	(1,895)
Write-down of inventories	19	752

19. TAXATION

	Current Quarter 31.12.2012 RM'000	Cumulative Qtr To date 31.12.2012 RM'000
Corporate tax expense		
Malaysia - current	(10,351)	(21,447)
Overseas - current	(3,765)	(4,505)
	<u>(14,116)</u>	<u>(25,952)</u>
Deferred tax expense		
Malaysia - current	(48)	(687)
Overseas - current	-	-
	<u>(48)</u>	<u>(687)</u>
Total tax expense	<u><u>(14,164)</u></u>	<u><u>(26,639)</u></u>

The Group's effective tax rate for the current year is higher than the statutory tax rate mainly due to the provision for debts due from APH (as mentioned in Note 15 above) made under the construction division is not applicable to contra with the taxable profit generated by other divisions.

20. CORPORATE PROPOSALS

Save for the following announced and completed proposal, there is no other proposal announced but pending implementation as at the date of this report:

Proposed disposal by Muhibbah Engineering (M) Bhd ("MEB" or Company) of a crane fabrication yard comprising freehold industrial land, buildings and improvements, located at No.28, Yarrunga Street, Prestons, New South Wales, 2170 Australia with a total land area measuring approximately 11.6 acres ("Property") to its listed subsidiary, Favelle Favco Bhd ("FFB") for a total disposal consideration of AUD15,000,000 to be fully satisfied via the allotment and issuance of 31,678,743 new ordinary shares of RM0.50 each in FFB ("The Proposal").

The Proposal was approved by both shareholders of MEB and FFB at an Extraordinary General Meeting held on 5 November 2012.

On 19 November 2012, the Proposed Disposal has been completed with the allotment and issuance of 31,678,743 FFB shares credited as fully paid up to MEB on even date.

21. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign Currency		RM'000
	Currency	Amount	
a) Short term borrowings			
Secured	RM	14,244	14,244
	AUD	866	2,759
	Sub- total		17,003
Unsecured	RM	192,396	192,396
	SGD	772	1,933
	Sub- total		194,329
b) Hire purchase and finance lease	RM	44	44
	DKK	344	187
	Sub- total		231
Total Short Term Borrowings			211,563
a) Long term borrowings			
Secured	RM	58,633	58,633
	Sub-total		58,633
Unsecured	RM	155,742	155,742
	Sub-total		155,742
b) Hire purchase and finance lease	RM	-	-
	DKK	18	10
	Sub-total		10
Total Long Term Borrowings			214,385
Total borrowings			425,948

22. MATERIAL LITIGATION

The ongoing material litigation of the Group as at 21 February 2013 are as follow:

i. QSA Marine Logistics Pte Ltd ("QSA") v MEB

The Arbitration proceedings against the Company commenced by QSA (disponent owners of the barge) in Singapore and third party claim by the owner of the said barge against the Company in the High Court of Malaya at Shah Alam, as previously reported remain ongoing.

ii. Muhibbah-LTAT JV (the "JV") v Government of Malaysia

The Arbitration proceedings commenced by the Joint Venture (in which the Company holds a 51% interest) against the Government of Malaysia vide the Ministry of Defence ("GOM"), as previously reported remains ongoing.

22. MATERIAL LITIGATION (cont'd)

iii. Supreme Court of the State of New York

The Suits against the Company, its subsidiary Favelle Favco Berhad ("FFB") and FFB's subsidiary Favelle Favco Cranes (USA) Inc ("FFU"), commenced by persons/companies in New York vide suits instituted in the Supreme Court of the State of New York, as previously reported remain ongoing.

iv. Supreme Court of the State of New York, Country of New York

The Suits against Favelle Favco Cranes (USA) Inc ("FFU"), commenced by Mr. Robert Pararella ("the Plaintiff") in the Supreme Court of the State of New York, as previously reported remain ongoing.

v. Muhibbah Engineering (M) Bhd ("Muhibbah") v ZAQ Construction Sdn Bhd ("ZAQ")

The Suit commenced by the Company against ZAQ in the High Court of Malaya at Kuala Lumpur, as previously reported remains ongoing.

vi. UEM Group Bhd v Muhibbah Engineering (M) Bhd ("Muhibbah" or "Company")

As previously reported, the Company's dispute of the Claim and challenge to the Request by UEM via the notification from the Secretariat of the ICC International Court of Arbitration-Asia Office, remain ongoing.

23. EARNINGS PER SHARE ("EPS")

a) Basic EPS

	Basic EPS		Diluted EPS	
	Current 31.12.2012	Cumulative 31.12.2012	Current 31.12.2012	Cumulative 31.12.2012
Net profit attributable to the owners of the Company (RM'000)	(150,734)	(98,027)	(150,734)	(98,027)
Weighted average number of ordinary shares in issue ('000)	406,465	406,438	406,465	406,438
Effect of dilution:				
Share options ('000)	-	-	6,422	6,422
Warrants ('000)	-	-	(178)	(178)
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	406,465	406,438	412,709	412,682
EPS (Sen)	(37.08)	(24.12)	(36.52)	(23.75)

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits/ (accumulated losses) of Muhibbah Engineering (M) Bhd and its subsidiaries:		
- Realised	99,919	166,174
- Unrealised	(51,767)	(18,710)
	48,152	147,464
Total retained profits/ (accumulated losses) from associated companies:		
- Realised	105,175	81,285
- Unrealised	(97)	(561)
	105,078	80,724
Less: Consolidation adjustments	(93,195)	(43,807)
Total Group retained profits	60,035	184,381

25. COMPARATIVE FIGURES

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

26. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2013.

By order of the Board of Directors

Company Secretary

Date : 28 February 2013