

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 March 2011
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31 MARCH 2011 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2010 RM '000	CURRENT YEAR TO DATE 31 MARCH 2011 RM '000	PRECEDING YEAR TO DATE 31 MARCH 2010 RM '000
Revenue	923,294	1,596,239	4,435,420	6,147,012
Other operating income	<u>19,485</u>	<u>12,064</u>	<u>56,752</u>	<u>19,880</u>
Operating profit	90,504	178,607	399,550	380,659
Finance cost	(4)	(1,155)	(769)	(3,452)
Share of profit/(loss) of jointly controlled entities	23,580	(1)	25,245	(1)
Profit before taxation	<u>114,080</u>	<u>177,451</u>	<u>424,026</u>	<u>377,206</u>
Taxation	<u>14,433</u>	<u>(60,029)</u>	<u>26,450</u>	<u>(93,091)</u>
Profit for the period	128,513	117,422	450,476	284,115
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>128,513</u></u>	<u><u>117,422</u></u>	<u><u>450,476</u></u>	<u><u>284,115</u></u>
Profit attributable to:				
Equity holders of the Company	128,641	115,150	450,748	279,203
Minority interests	<u>(128)</u>	<u>2,272</u>	<u>(272)</u>	<u>4,912</u>
	<u><u>128,513</u></u>	<u><u>117,422</u></u>	<u><u>450,476</u></u>	<u><u>284,115</u></u>
Earnings per share attributable to equity holders of the Company:				
(i) Basic (sen)	8.0	8.6	31.1	20.9
(ii) Dilutive (sen)	8.0	8.6	31.1	20.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	AS AT END OF CURRENT QUARTER 31 MARCH 2011 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 MARCH 2010 RM '000
Non-Current Assets		
<i>Property, Plant and Equipment</i>	1,030,256	928,851
<i>Prepaid Land Lease Payments</i>	67,114	69,173
<i>Investment in Jointly Controlled Entities</i>	35,019	179
<i>Other Investment</i>	15	15
<i>Deferred Tax Assets</i>	9,686	253
	<u>1,142,090</u>	<u>998,471</u>
Current Assets		
<i>Inventories</i>	30,632	38,523
<i>Trade & Other Receivables</i>	2,303,957	2,979,341
<i>Tax Recoverable</i>	2,453	1,893
<i>Cash and Bank Balances</i>	1,448,122	765,899
	<u>3,785,164</u>	<u>3,785,656</u>
Current Liabilities		
<i>Trade & Other Payables</i>	2,534,942	3,138,198
<i>Provisions</i>	61,327	50,399
<i>Borrowings</i>	-	2,900
<i>Provision for Taxation</i>	28,302	48,816
	<u>2,624,571</u>	<u>3,240,313</u>
Net Current Assets	<u>1,160,593</u>	<u>545,343</u>
	<u>2,302,683</u>	<u>1,543,814</u>
Equity attributable to equity holders of the Company		
<i>Share Capital</i>	800,000	16,220
<i>Share Premium</i>	818,263	-
<i>Retained Earnings</i>	680,127	1,182,159
	<u>2,298,390</u>	<u>1,198,379</u>
Minority interests	3,302	14,785
Total equity	<u>2,301,692</u>	<u>1,213,164</u>
Non-Current Liabilities		
<i>Deferred Income</i>	991	2,326
<i>Borrowings</i>	-	302,631
<i>Deferred Tax Liabilities</i>	-	25,693
	<u>2,302,683</u>	<u>1,543,814</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2011

	CUMULATIVE	
	CURRENT YEAR TO DATE 31 MARCH 2011 RM '000	PRECEDING YEAR TO DATE 31 MARCH 2010 RM '000
Cash Flow from Operating Activities	(49,337)	1,243,304
Cash Flow from Investing Activities	(114,803)	(260,042)
Cash Flow from Financing Activities	846,363	(452,044)
Net Change in Cash & Cash Equivalents	<u>682,223</u>	<u>531,218</u>
Cash & Cash Equivalents at the beginning of the year	765,899	234,681
Cash & Cash Equivalents at the end of the period	<u><u>1,448,122</u></u>	<u><u>765,899</u></u>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

<-----Equity attributable to equity holders of the Company----->

	Share Capital RM '000	Share Premium RM '000	Distributable Retained Earnings RM '000	Total RM '000	Minority interest RM '000	Total Equity RM '000
12 MONTHS ENDED 31 MARCH 2011						
At 1 April 2010	16,220	-	1,182,159	1,198,379	14,785	1,213,164
Total comprehensive income	-	-	450,748	450,748	(272)	450,476
Transaction with equity holders of the Company						
Disposal of interest in a subsidiary	-	-	-	-	(11,211)	(11,211)
Dividends on ordinary shares	-	-	(300,000)	(300,000)	-	(300,000)
Issuance of ordinary shares	131,000	849,780	-	980,780	-	980,780
Share issuance expenses	-	(31,517)	-	(31,517)	-	(31,517)
Issuance of bonus issue	652,780	-	(652,780)	-	-	-
Total transactions with equity holders of the Company	783,780	818,263	(952,780)	649,263	(11,211)	638,052
At 31 March 2011	800,000	818,263	680,127	2,298,390	3,302	2,301,692
12 MONTHS ENDED 31 MARCH 2010						
At 1 April 2009	16,220	-	902,956	919,176	9,873	929,049
Total comprehensive income	-	-	279,203	279,203	4,912	284,115
At 31 March 2010	16,220	-	1,182,159	1,198,379	14,785	1,213,164

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.

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 an understanding of 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 Technical Release-*i-3*: Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual financial period beginning on or after 1 January 2010. These FRSs are, however, not applicable to the Group.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except for those discussed below:

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. The Group has adopted FRS 8 retrospectively.

FRS 101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expenses recognised in profit or loss, together with all items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements.

The Group has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of earliest comparative period following a change in accounting policy, the correction of an error or the 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 has assessed and did not expect any impact from adoption of this standard.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There 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 fluctuations in level of activities in the oil and gas and shipping industries.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter ended 31 March 2011.

A6. CHANGES IN ESTIMATES

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

A7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

On 29 October 2010, the Group had completed the listing exercise with the issuance of additional 262,000,000 ordinary shares on the Main Market of Bursa Securities.

A8. DIVIDENDS PAID

On 23 September 2010, the Group paid an interim dividend in respect of the 2010/11 financial year, amounting to RM300.0 million (2009/2010: nil) in total, comprises of:

- a) 18 sen gross per share less 25% taxation on 16,220,000 ordinary shares, amounting to RM2,233,000 by utilising Section 108, and
- b) RM18.35 per share tax exempt (single-tier) on 16,220,000 ordinary shares, amounting to RM297,767,000.

A9. SEGMENT REPORT

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

	Engineering and Construction RM '000	Marine Conversion and Repair RM '000	Others RM '000	Eliminations RM '000	Total RM '000
REVENUE AND RESULT					
Revenue					
Total Revenue - External	4,156,888	277,206	1,326	-	4,435,420
Inter-Segment	-	60,624	570	(61,194) *	-
	<u>4,156,888</u>	<u>337,830</u>	<u>1,896</u>	<u>(61,194)</u>	<u>4,435,420</u>
Result					
Operating profit	<u>316,089</u>	<u>48,524</u>	<u>1,069,680</u> **	<u>(1,034,743)</u> *	<u>399,550</u>

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

** Comprise of net foreign exchange gains, interest income and dividend income.

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 as no revaluation has been carried out since 31 March 2010.

A11. SUBSEQUENT MATERIAL EVENT

There was no material event subsequent to the current financial quarter to date.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material change in the composition of the Group.

A13. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	RM '000
<i>Unsecured</i>	
Bank guarantees extended to third parties	6,986

A14. CAPITAL COMMITMENTS

	31 March 2011 RM '000	31 Mar 2010 RM '000
Approved and contracted for	87,176	162,484
Approved but not contracted for	<u>422,755</u>	<u>447,820</u>
	<u>509,931</u>	<u>610,304</u>

The outstanding capital commitments relate to the infrastructure upgrading works under the Yard Optimisation Programme and other investment projects.

B1. REVIEW OF PERFORMANCE

The Group profit before taxation of RM114.1 million was 35.7% lower than the corresponding quarter's profit of RM177.5 million. The decrease was mainly due to lower revenue in Engineering and Construction and Marine Repair and Conversion segments.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group profit before taxation of RM114.1 million was 0.7% higher than the RM113.3 million recorded in the preceding quarter. The higher profit achieved in this quarter was mainly due to improved performance in Engineering and Construction segment.

B3. CURRENT YEAR PROSPECTS

The upstream exploration and production activities by the oil and gas companies are expected to remain active and relatively strong. Based on MHB's tenderbook, positive outcome from some tenders are expected.

In addition to that, our Engineering and Construction segment will continue to benefit from existing level of activities from major projects such as the Gumusut-Kakap FPS, Kinabalu Topside and the Turkmenistan Block 1 Phase 1. The performance of Marine Repair and Conversion segment is expected to improve.

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-March 11 RM '000	Apr 10-March 11 RM '000
Taxation for the period comprises the following charge		
Income tax (credit)/charge		
- current period	25,828	45,927
- prior year	(1,382)	(36,998)
Deferred taxation	<u>(38,879)</u>	<u>(35,379)</u>
	<u>(14,433)</u>	<u>(26,450)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES

There were no material sales of investments and/or properties for the current financial year to date.

B7. PURCHASES AND SALES OF QUOTED SECURITIES

There were no purchases and sales of quoted securities for the current financial year to date.

B8. STATUS OF CORPORATE PROPOSALS

- a) The status of utilisation of proceeds raised from corporate proposals as at 3 May 2011 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation RM '000	Actual Utilisation To Date RM '000	Intended Timeframe for Utilisation	Deviation Amount RM '000	%
Yard Optimisation Programme	833,780	-	Within 24 months upon listing	-	-
Capital expenditure in Turkmenistan	110,000	-	Within 18 months upon listing	-	-
Listing expenses	37,000	31,517	Within 3 months upon listing	5,483	14.8
Total	<u>980,780</u>	<u>31,517</u>		<u>5,483</u>	<u>14.8</u>

The actual utilisation amount for the listing expenses was lower than the budgeted amount. Hence, the balance unutilised amount of RM5,483,000 will be utilised for the Yard Optimisation Programme as per disclosure in the Company's Prospectus dated 6 October 2010.

- b) With reference to the status for MHB to obtain the Certificate of Completion and Compliance ("CCC") for structures with temporary permits as disclosed in Listing Prospectus within 12 months from the date of Securities Commission's approval on 30 August 2010, MHB wishes to inform that Majlis Perbandaran Pasir Gudang One Stop Centre ("MPPGOSC") committee had inspected the affected buildings and structures.

B9. GROUP BORROWINGS

There were no borrowings as at 31 March 2011.

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

As disclosed in the notes to the financial statements as at 31 March 2010, a subcontractor of the Group has initiated an arbitration proceeding for a claim amounting to USD26,273,000 (RM79,489,000 equivalent as at 31 March 2011) due to alleged non payments for works incurred pertaining to Turkmenistan project.

The Group in response has made a counterclaim amounting to sum of USD2,800,000 (RM8,471,000 equivalent as at 31 March 2011) towards the subcontractor for the alleged non-performance of contracts.

The Group had resolved the arbitration by signing a settlement agreement amounting to USD8,395,000 (RM25,399,000 equivalent as at 31 March 2011) with the subcontractor during the financial year.

B12. DIVIDENDS PROPOSED

The Board of Directors has declared a final dividend of 5 sen per share (2009/2010: nil) in respect of the 2010/2011 financial year amounting to RM80.0 million (2009/2010: nil). The proposed dividend (if approved by the shareholders) will be paid on 19 October 2011 to shareholders registered at the close of business on 28 September 2011. A depositor shall qualify for entitlement to the dividend. A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) securities transferred into the Depositor's Securities Account before 4.00 pm on 28 September 2011 in respect of Ordinary Transfers; and
- (ii) shares bought on the "BMSB" on a cum entitlement basis according to the rules of "BMSB".

B13. DERIVATIVES

There were no derivatives in the current financial period to date.

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 RM128.6 million for the fourth quarter ended 31 March 2011 and RM450.7 million for the current financial year to 31 March 2011 which are the same as the profit attributable to the shareholders of the parent as shown in the condensed consolidated statement of comprehensive income.
- ii) The weighted average number of ordinary shares used as the denominator in calculating the basic earnings per share and dilutive earnings per share for the quarter ended 31 March 2011 is 1,600.0 million and 1,447.8 million for the current financial year to 31 March 2011.

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 PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia issued further guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31 March 2011 RM '000
Total retained profits of MHB and its subsidiaries:	
- Realised	440,769
- Unrealised	<u>28,411</u>
	469,180
Total share of retained profits from jointly controlled entities:	
- Realised	23,413
- Unrealised	<u>234</u>
	492,827
Add: Consolidation adjustments	<u>187,300</u>
Total Group retained profits as per consolidated accounts	<u><u>680,127</u></u>

All retained profits for the Company level is realised profits.