MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD
(Company No.: 178821-X)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 30 September 2012
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30 SEP 2012 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEP 2011 RM '000	CURRENT YEAR TO DATE 30 SEP 2012 RM '000	PRECEDING YEAR TO DATE 30 SEP 2011 RM '000
Revenue	841,783	463,088	2,472,762	2,344,180
Other operating income	48,658	19,859	105,791	46,701
Operating profit	27,679	84,941	167,068	241,666
Finance income/(costs)	39	-	(1,575)	(4)
Share of (loss)/profit of jointly controlled entities	(17,473)	15,425	(7,993)	69,185
Profit before taxation	10,245	100,366	157,500	310,847
Taxation	(1,852)	(20,144)	(15,500)	(22,823)
Profit after taxation	8,393	80,222	142,000	288,024
Other comprehensive income:				
Fair value gain/(loss) on cash flow hedges	32	6	3,669	(19)
Total comprehensive income for the period	8,425	80,228	145,669	288,005
Profit attributable to:				
Equity holders of the Company	8,059	80,225	141,647	287,884
Non-controlling interests	334	(3)	353	140
	8,393	80,222	142,000	288,024
Total comprehensive income attributable to:				
Equity holders of the Company	8,091	80,231	145,316	287,865
Non-controlling interests	334	(3)	353	140
	8,425	80,228	145,669	288,005
Earnings per share attributable to equity holders of the Company:				
(i) Basic (sen)	0.5	5.0	8.9	18.0
(ii) Dilutive (sen)	0.5	5.0	8.9	18.0

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2011)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	AS AT END OF CURRENT QUARTER 30 SEP 2012 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 DEC 2011 RM '000
Non-Current Assets		
Property, Plant and Equipment	1,371,125	1,090,619
Land use Rights	236,363	65,569
Investment in Jointly Controlled Entities	51,764	61,037
Other Investment	15	15
Goodwill	62,783	-
Deferred Tax Assets	-	57
	1,722,050	1,217,297
Current Assets		
Inventories	14,252	25,593
Trade & Other Receivables	1,992,265	1,131,267
Tax Recoverable	789	2,724
Cash and Bank Balances	1,167,801	2,085,585
	3,175,107	3,245,169
Current Liabilities		
Trade & Other Payables	2,372,026	1,926,504
Derivatives	234	2,328
Provisions	57,277	61,625
Provision for Taxation	23,465	21,122
	2,453,002	2,011,579
Net Current Assets	722,105	1,233,590
	2,444,155	2,450,887
Equity attributable to equity holders of the Company		
Share Capital	800,000	800,000
Share Premium	818,263	818,263
Cash Flow Hedge Reserve	262	(3,407)
Retained Earnings	787,728	805,728
	2,406,253	2,420,584
Non-controlling interests	3,981	3,628
Total equity	2,410,234	2,424,212
Non-Current Liabilities		
Deferred Tax Liabilities	33,921	26,675
	2,444,155	2,450,887

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statement for the period ended 31 December 2011)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	CUMULATIVE	
	CURRENT YEAR TO DATE 30 SEP 2012 RM '000	PRECEDING YEAR TO DATE 30 SEP 2011 RM '000
Profit before taxation	157,500	310,847
Adjustments for:		
Property, plant and equipment		
- depreciation	37,001	27,398
- write off	135	51
Amortisation of land use rights	3,954	1,545
Finance cost	1,575	4
Provision for liquidated ascertained damages	-	11,553
Impairment loss on trade receivables	8,010	2,948
Inventories written off	200	45
Net unrealised foreign exchange loss	22,971	4,520
Interest income	(33,368)	(41,235)
Loss on disposal of property, plant and equipment	-	477
Reversal of impairment loss on receivables	(17,503)	-
Share of loss/(profit) of jointly controlled entities	7,993	(69,185)
Operating profit before working capital changes	188,468	248,968
Inventories	11,141	9,995
Trade and other receivables	(909,719)	1,414,570
Trade and other payables	421,487	(1,108,974)
Cash (used in) / generated from operations	(288,623)	564,559
Interest paid	-	(5)
Tax paid	(10,778)	(2,117)
Net Cash Flows (used in) / generated from Operating Activities	(299,401)	562,437
Purchase of property, plant and equipment	(492,390)	(79,534)
Interest received	33,368	41,235
Dividend income	639	
Net Cash Flows used in Investing Activities	(458,383)	(38,299)
Dividends paid on ordinary shares	(160,000)	-
Share issuance expenses	-	(6,615)
Net repayment of borrowings	-	(650)
Net Cash Flows used in Financing Activities	(160,000)	(7,265)
Net Change in Cash & Cash Equivalents	(917,784)	516,873
Cash & Cash Equivalents at the beginning of the year	2,085,585	1,792,855
Cash & Cash Equivalents at the end of the period	1,167,801	2,309,728

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2011)

MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD
(Company No.: 178821-X)

M H B

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	<-----Equity attributable to equity holders of the Company----->						
	Share Capital RM '000	**Share Premium RM '000**	**Distributable Retained Earnings RM '000**	**Cash Flow Hedge Reserve RM '000**	**Total RM '000**	**Non-Controlling Interests RM '000**	**Total Equity RM '000**
9 MONTHS ENDED 30 SEPTEMBER 2012							
At 1 January 2012	800,000	818,263	805,728	(3,407)	2,420,584	3,628	2,424,212
Total comprehensive income	-	-	142,000	3,669	145,669	353	146,022
Transaction with equity holders of the Company							
Dividend on ordinary shares	-		(160,000)	-	(160,000)	-	(160,000)
At 30 September 2012	800,000	818,263	787,728	262	2,406,253	3,981	2,410,234
9 MONTHS ENDED 30 SEPTEMBER 2011							
At 1 January 2011	800,000	824,878	551,486	-	2,176,364	3,430	2,179,794
Total comprehensive income	-	-	287,884	(19)	287,865	140	288,005
Transaction with equity holders of the Company							
Issuance of ordinary shares	-	24,902	-	-	24,902	-	24,902
Share issuance expenses	-	(31,517)	-	-	(31,517)	-	(31,517)
Total transactions with equity holders of the Company	-	(6,615)	-	-	(6,615)	-	(6,615)
At 30 September 2011	800,000	818,263	839,370	(19)	2,457,614	3,570	2,461,184

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2011)

NOTES TO THE CONDENSED FINANCIAL REPORT
The figures have not been audited.

A1. CORPORATE INFORMATION

Malaysia Marine and Heavy Engineering Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 November 2012.

A2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ('MFRS")

A2.1 Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2012 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

For the periods up to and including the period ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the period ended 31 December 2011 which were prepared under FRS are available upon request from the Company's registered office at Level 31, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur.

The explanatory notes attached to these condensed consolidated 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 period ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 April 2011 (which is also the date of transition), the Group has considered the transition from FRS to MFRS and no adjustments were required to be made to the amounts previously reported in the financial statements prepared in accordance with FRS. The transition from FRS to MFRS also, has not resulted in a material impact on the condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income and condensed consolidated statement of cash flows.

A2.2 Comparative Information

During the financial period ended 31 December 2011, the Group changed its year end from 31 March to 31 December so as to be coterminous with the year end of its holding company. The date of transition to MFRS is 1 April 2011. Comparative amounts (i.e. for the nine months period ended 30 September 2011) presented for the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes:

(i) are not for the comparable interim periods (current and year-to-date) of the immediately preceding financial year as required by MFRS 134; and

(ii) represents amounts prepared under FRS, prior to the date of transition to MFRS.

Accordingly, these comparative amounts are not comparable to the amounts presented in MFRS for the nine months period ended 30 September 2012. The above departure from the requirement of MFRS 134 is unavoidable due to the fact that the Group has changed its year end.

A2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ('MFRS") (cont'd)

A2.2 Comparative Information (cont'd)

The comparative amounts for these nine months period ended 30 September 2011 were used to provide the relevant unambiguous comparative information to enable fair assessment of the Group's performance given the nature of the Group's business.

The above departure from the requirements of MFRS 134 is primarily due to the Group's change of its year end. However, the impact on the comparatives is temporary and would be resolved by the quarter ended 31 March 2013.

A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1

The audited financial statements of the Group for the period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the period ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition
The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,
(i) The classification of former business combination under FRS is maintained;
(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Estimates

The estimates at 1 April 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 April 2011, the date of transition to MFRS and as of 31 December 2011.

A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the period ended 31 December 2011 was not qualified.

A5. 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.

A6. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter ended 30 September 2012.

A7. CHANGES IN ESTIMATES

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

A8. 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 quarter ended 30 September 2012.

A9. DIVIDEND PAID

The Company paid a final dividend of 10 sen per share on 4 July 2012 in respect of the 2011 financial period, totalling RM160.0 million (2010/11: RM80.0 million)

A10. SEGMENT REPORT

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

REVENUE AND RESULT	Offshore RM '000	Marine RM '000	Others RM '000		Eliminations RM '000		Total RM '000
Revenue							
Total Revenue - External	2,223,592	249,170	-		-		2,472,762
Inter-Segment	-	62,203	132		(62,335)	*	-
	2,223,592	311,373	132		(62,335)		2,472,762
Result							
Operating profit	110,336	51,913	10,700	**	(5,881)	*	167,068
Finance cost							(1,575)
Share of profit of jointly controlled entities							(7,993)
Profit before taxation							157,500

* Inter-segment revenue and transactions are eliminated on consolidation.
** Comprise of net foreign exchange gains and interest income.

There has been no material change in total assets. However there are differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements. The business segments have been reclassified from Engineering and Construction, and Marine Repair and Conversion to Offshore and Marine respectively.Offshore is made up of Engineering and Construction and Marine Conversion; and Marine represent Marine Repair business.

As a result of the above, the comparative figure has been reclassified to conform with the latest presentation and this is reflected in note B1.

A11. 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 December 2011.

A12. GOODWILL

	Cost RM'000	Accumulated Amortisation and Impairment RM'000	Net Carrying Amount RM'000
As at 1 January 2012	-	-	-
Acquisition of yard	62,783	-	62,783
As at 30 September 2012	62,783	-	62,783

Goodwill was derived from the acquisition of Pasir Gudang Yard ("PG Yard") from Sime Darby Engineering Sdn Bhd.

Goodwill is tested for impairment on annual basis (31 December) or when circumstances indicate that the carrying value may be impaired. The Group's impairment test is a comparison of the goodwill's carrying value against its value-in-use (calculated using cash flow projections).

A13. SUBSEQUENT MATERIAL EVENT

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

A14. CHANGES IN THE COMPOSITION OF THE GROUP

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

A15. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	30 Sep 2012 RM '000	31 Dec 2011 RM '000
Unsecured		
Bank guarantees extended to third parties	101,105	8,073

A16. CAPITAL COMMITMENTS

	30 Sep 2012 RM '000	31 Dec 2011 RM '000
Approved and contracted for	160,092	143,658
Approved but not contracted for	274,253	162,783
	434,345	306,441

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

A17. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Input that are based on observable market data, either directly or indirectly
Level 3 - Input that are not based on observable market data

The derivatives of the Group amounting to RM234,000 (31.12.2011: RM2,328,000) are measured at Level 2 hierarchy.

B1. REVIEW OF PERFORMANCE

	Individual Quarter Ended		Cumulative Period Ended	
	30 Sep 2012 RM '000	30 Sep 2011 RM '000	30 Sep 2012 RM '000	30 Sep 2011 RM '000
Revenue				
Offshore	765,882	403,702	2,223,592	2,189,606
Marine	105,598	73,495	311,373	207,898
Others	36	376	132	1,311
Eliminations/Adjustments	(29,733) *	(14,485) *	(62,335) *	(54,635) *
	841,783	463,088	2,472,762	2,344,180
Operating Profit				
Offshore	(1,805)	75,897	110,336	222,729
Marine	24,816	2,542	51,913	(2,619)
Others	10,550	5,894	10,700	19,640
Eliminations/Adjustments	(5,882) *	608 *	(5,881) *	1,916 *
	27,679	84,941	167,068	241,666

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

a. Performance of current quarter against the corresponding quarter

The Group's operating profit of RM27.7 million was lower against the corresponding quarter's operating profit of RM84.9 million. Detailed analysis by each segment is as follows:

Offshore

The improvement to the revenue in the current quarter as compared against the corresponding quarter arose from the higher execution progress from the projects in hand. During the current quarter, the Group has loaded out two (2) projects for ExxonMobil Exploration and Production Malaysia Inc. (EMEPMI) i.e. the Telok-A topside and jacket and the Tapis-Q topside and jacket.

However Offshore's registered an operating loss compared to the corresponding quarter due to provision for higher expected expenses for an on-going conversion project. The Group is carefully managing the project and is actively pursuing negotiation with Clients through claim of Change Orders.

Marine

Marine's revenue and operating profit has significantly improved as compared against the correponding quarter from higher value and volume of repair works especially from the LNG segment. In addition, a settlement on an old outstanding debt has resulted in a reversal to a provision made in prior year.

Group

The Group registered a lower profit before tax amounting to RM10.2 million for the current quarter against RM100.4 million in the corresponding quarter. This was mainly attributed to the above explanations and the share of losses from the jointly controlled entities (JCE) performance for the current quarter.

b. Performance of current period against the corresponding period

The Group's operating profit of RM167.1 million was relatively lower against RM241.7 million of the corresponding period. Detailed analysis by each segment is as follows:

Offshore

The revenue in the current period arose from the higher execution progress from the projects in hand. During the nine (9) months period of operations, the Group has loaded out three (3) projects i.e. the Telok-A topside and jacket and the Tapis-Q topside and jacket for EMEPMI and the Kinabalu Non-Associated Gas (NAG) Topside for Petronas Carigali Sdn Bhd.

However Offshore's operating profit contribution for the current period registered a reduction when compared to the corresponding period due to provision for higher expected expenses for an on-going conversion project. The Group is carefully managing the project and is actively pursuing negotiation with Clients through claim of Change Orders.

Marine

Revenue and operating profit of our Marine business has improved against the corresponding period with the higher value and volume of repair works across all repair segments and the conversion works on MISC's Tenaga Satu into the Floating Storage Unit (FSU) Lekas, which was delivered during the current period. In addition, a settlement on an old outstanding debt has resulted in a reversal to a provision made in prior year.

B1. REVIEW OF PERFORMANCE (CONT'D)

Group

The Group's profit before tax for the current period of RM157.5 million was relatively lower against the corresponding period of RM310.8 million. This was mainly due to the lower operating profit from Offshore, as explained above and the share of losses arising from the JCE's performance for the current period.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's registered lower profit before taxation of RM10.2 million in the current quarter against the preceding quarter's of RM60.5 million. The current results was lower due to provision for higher than expected expenses incurred by an on-going conversion project and from the share of losses arising from the JCE's performance.

B3. CURRENT YEAR PROSPECTS

The renewed focus on domestic Exploration and Production (“E&P”) development and enhanced oil recovery initiatives, has resulted in more projects expected to be put into the development phase. MHB Group through its wholly owned subsidiary, Malaysia Marine and Heavy Engineering Sdn Bhd ("MMHE") has benefited from this development with the award of Sarawak Shell Berhad's F14/F29 Topsides, Substructure and Process Module contract which comprises three (3) structures with a contract value of RM278.0 million. In November 2012, MMHE has been awarded Damar Platform Project by EMEPMI. The Damar Project comprises two (2) structures, the integrated Damar Topside and Damar Jacket with a total contract value of RM160.0 million.

The acquisition of an additional yard in Pasir Gudang and ongoing investment to enhance our yard facilities will ensure that we are well positioned to be a major beneficiary of this positive environment, especially for deepwater projects.

In respect of our operating performance for the current year, apart from the expense provisions we have made on the conversion project, we expect all our other Offshore projects to perform within expectation and our Marine business to be satisfactory, after taking into account the shipping market condition.

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

	30 Sep 2012 RM '000	**30 Sep 2011 RM '000**
Taxation for the period comprises the following charge:		
Income tax charge		
- current period	(11,805)	(30,487)
- prior year	-	1,382
Deferred taxation	(3,695)	6,282
	(15,500)	(22,823)

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. STATUS OF CORPORATE PROPOSALS

a) The status of utilisation of proceeds raised from corporate proposals as at 19 November 2012 (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**	**Revised Utilisation of Proceeds RM '000**	**Actual Utilisation To Date RM '000**	**Intended Timeframe for Utilisation**	**Deviation Amount RM '000**
Yard Optimisation Programme	833,780	445,830	-	Within 48 months upon listing	-
Capital expenditure in Turkmenistan	110,000	110,000	-	Within 48 months upon listing	-
Acquisition of PG Yard from SDE	-	393,433	393,433	Immediate	-
Listing expenses	37,000	31,517	31,517	Within 3 months upon listing	-
Total	980,780	980,780	424,950		-

B6. STATUS OF CORPORATE PROPOSALS (CONT'D)

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

b) Pursuant to the approval letter of the Securities Commission (“SC”) dated 30 August 2010, the SC had imposed a condition for MHB to obtain the Certificates of Completion and Compliance for structures with temporary permits as disclosed in the listing prospectus (“Subject Properties”) within 12 months from the date of the SC's approval letter (“Outstanding Condition”) and the SC had subsequently approved the extension of time until 31 December 2012 for MHB to comply with the Outstanding Condition. In this regard, the status of compliance and remedial actions taken by MHB as of 30 September 2012 are as follows:

(i) The Certificates of Fitness for Occupation ("CF") were issued for 58 out of 71 Subject Properties.

(ii) In respect of the remaining 13 Subject Properties ("Outstanding Subject Properties"), approval-in-principle has been granted by Majlis Perbandaran Pasir Gudang (("MPPG") One Stop Center on 17 September 2012 and the issuance of CF by MPPG is subject to MHB obtaining the letter of support from Jabatan Bomba dan Penyelamat Malaysia, Negeri Johor ("BOMBA") as well as the result of the site inspection to be performed by MPPG on these Outstanding Subject Properties. Subsequent to the said approval-in-principle, BOMBA has issued its letter of support for 2 out of 13 Outstanding Subject Properties. As for the remaining 11 Outstanding Subject Properties, the management of MHB is still in the midst of procuring the letter of support from BOMBA.

B7. GROUP BORROWINGS

There were no borrowings as at 30 September 2012.

B8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the quarter ended 30 September 2012.

B9. CHANGES IN MATERIAL LITIGATION

There were no material litigation involving the Group as at 30 September 2012.

B10. DIVIDEND PROPOSED

No dividends had been proposed for the quarter ended 30 September 2012.

B11. DERIVATIVES

The Group entered into forward foreign currency contracts to manage the exposure to foreign exchange risk when it enters into transactions that are not denominated in their functional currencies.

Details of the Group's derivative financial instruments outstanding as at 30 September 2012 are as follows:

	Contract/ Notional Amount as at 30 Sep 2012 (in RM '000)	**Fair Value (in RM '000)**
Forward foreign currency contracts		
- Less than 1 year	17,353	(234)

During the period, the Group has recognised a net gain of RM3,669,000 in its statement of comprehensive income mainly due to settlement of the forward foreign currency contracts in the current period, and a net unrealised gain of RM262,000 in its equity in relation to fair value of the spot component of the hedged instrument.

B12. EARNINGS PER SHARE

In respect of earnings per share :-

i) The amount used as numerator for the calculation of basic earnings per share is RM8.4 million for the third quarter ended 30 September 2012 which is the same as the profit attributable to the equity holders of the Company 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 third quarter ended 30 September 2012 is 1,600.0 million.

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.

B13. REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group as at 30 September 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants.

	30 Sep 2012 RM '000	31 Dec 2011 RM '000
Total retained profits of the Company and its subsidiaries:		
- Realised	611,994	662,921
- Unrealised	(42,203)	(67,207)
	569,791	595,714
Total share of retained profits from jointly controlled entities:		
- Realised	52,185	44,751
- Unrealised	(421)	1,914
	621,555	642,379
Add: Consolidation adjustments	166,173	163,349
Total Group retained profits as per consolidated accounts	787,728	805,728

All retained profits for the Company level are realised profits.

B14. PROFIT FOR THE PERIOD

	Individual Quarter Ended		Cumulative Period Ended	
	30 Sep 2012 RM '000	30 Sep 2011 RM '000	30 Sep 2012 RM '000	30 Sep 2011 RM '000
Profit for the period is arrived at after charging:				
Property, plant and equipment and land use rights				
- Depreciation and amortisation	14,407	5,697	40,955	28,943
- Written off	2	28	135	51
Impairment loss on trade receivables	8,010	872	8,010	2,948
Finance (income)/costs	(39)	-	1,575	4
Net foreign exchange loss	-	15,782	-	15,782
Inventories written off	200	-	200	45
Provision for liquidated ascertain damages	-	14,276	-	11,553
Loss on disposal of property, plant and equipment	-	-	-	477
and after crediting:				
Interest income	9,213	12,505	33,368	41,235
Rental income	21,105	109	42,320	326
Net foreign exchange gain	6,544	-	10,341	-
Other income	9,933	11,686	20,082	14,785
Gain on disposal of property, plant and equipment	-	-	-	291
Reversal of impairment loss on receivables	17,503	-	17,503	-
Reversal of inventory written off	-	1,768	-	-