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 31 December 2012
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31 DEC 2012 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2011 RM '000	CURRENT YEAR TO DATE 31 DEC 2012 RM '000	PRECEDING YEAR TO DATE 31 DEC 2011 RM '000
Revenue	857,011	716,148	3,329,773	3,060,328
Other operating income	43,336	36,281	149,127	82,982
Operating profit	77,305	52,934	242,798	294,596
Share of (loss)/profit of jointly controlled entities	(17,113)	1,147	(25,106)	70,332
Profit before taxation	60,192	54,081	217,692	364,928
Taxation	41,004	(7,665)	25,504	(30,488)
Profit after taxation	101,196	46,416	243,196	334,440
Other comprehensive income:				
Fair value (loss)/gain on cash flow hedges	(179)	(3,388)	3,490	(3,407)
Total comprehensive income for the period	101,017	43,028	246,686	331,033
Profit attributable to:				
Equity holders of the Company	100,361	46,355	242,008	334,242
Non-controlling interests	835	61	1,188	198
	101,196	46,416	243,196	334,440
Total comprehensive income attributable to:				
Equity holders of the Company	100,182	42,967	245,498	330,835
Non-controlling interests	835	61	1,188	198
	101,017	43,028	246,686	331,033
Earnings per share attributable to equity holders of the Company:				
(i) Basic (sen)	6.3	2.9	15.1	20.9
(ii) Dilutive (sen)	6.3	2.9	15.1	20.9

(The Condensed Consolidated Statement of Comprehensive Income 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)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	AS AT END OF CURRENT QUARTER 31 DEC 2012 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 DEC 2011 RM '000
Non-Current Assets		
Property, Plant and Equipment	1,441,037	1,090,619
Prepaid Land Lease Payments	253,513	65,569
Investment in Jointly Controlled Entities	35,291	61,037
Goodwill	62,783	-
Deferred Tax Assets	9,315	57
	1,801,939	1,217,282
Current Assets		
Inventories	11,622	25,593
Trade & Other Receivables	2,113,377	1,131,282
Tax Recoverable	-	2,724
Derivatives	104	-
Cash and Cash Equivalents	890,288	2,085,585
	3,015,391	3,245,184
Current Liabilities		
Trade & Other Payables	2,281,659	1,926,504
Derivatives	272	2,328
Provisions	7,101	61,625
Provision for Taxation	17,400	21,122
	2,306,432	2,011,579
Net Current Assets	708,959	1,233,605
	2,510,898	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	83	(3,407)
Retained Earnings	887,736	805,728
	2,506,082	2,420,584
Non-controlling interests	4,816	3,628
Total equity	2,510,898	2,424,212
Non-Current Liabilities		
Deferred Tax Liabilities	-	26,675
	2,510,898	2,450,887

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2012

	CUMULATIVE	
	CURRENT YEAR TO DATE 31 DEC 2012 RM '000	PRECEDING YEAR TO DATE 31 DEC 2011 RM '000
Profit before taxation	217,692	364,928
Adjustments for:		
Property, plant and equipment		
- depreciation	51,584	41,300
- write off	7,266	5,335
Amortisation of land use rights	5,674	2,059
Provision for warranty	1,853	(147)
(Reversal of provision)/provision for liquidated ascertained damages	(4,947)	11,553
(Reversal of impairment loss)/Impairment loss on trade receivables	(5,125)	5,177
Interest income	(40,697)	(61,041)
Change in fair value of hedging derivatives	1,330	(1,075)
Net unrealised foreign exhange (gains)/losses	(4,878)	4,627
Inventories written (back)/off	(174)	2,146
Share of loss/(profit) of jointly controlled entities	25,106	(70,332)
Operating profit before working capital changes	254,684	304,530
Inventories	14,145	4,599
Trade and other receivables	(978,887)	1,371,509
Trade and other payables	308,274	(1,210,262)
Cash (used in)/ generated from operations	(401,784)	470,376
Tax paid	(11,427)	(23,589)
Net Cash Flows (used in)/generated from Operating Activities	(413,211)	446,787
Purchase of property, plant and equipment	(230,321)	(142,915)
Acquisition of business	(330,717)	-
Goodwill on acquisition	(62,783)	-
Purchase of land use rights	(41,848)	-
Interest received	42,943	55,389
Investment in a jointly controlled entity	-	(3,000)
Dividend income from jointly controlled entities	640	23,734
Net Cash Flows used in Investing Activities	(622,086)	(66,792)
Dividends paid on ordinary shares	(160,000)	(80,000)
Share issuance expenses	-	(6,615)
Net repayment of borrowings	-	(650)
Net Cash Flows used in Financing Activities	(160,000)	(87,265)
Net Change in Cash & Cash Equivalents	(1,195,297)	292,730
Cash & Cash Equivalents at the beginning of the year	2,085,585	1,792,855
Cash & Cash Equivalents at the end of the year	890,288	2,085,585

(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)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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**
12 MONTHS ENDED 31 DECEMBER 2012							
At 1 January 2012	800,000	818,263	805,728	(3,407)	2,420,584	3,628	2,424,212
Total comprehensive income	-	-	242,008	3,490	245,498	1,188	246,686
Transaction with equity holders of the Company							
Dividend on ordinary shares	-		(160,000)	-	(160,000)	-	(160,000)
At 31 December 2012	800,000	818,263	887,736	83	2,506,082	4,816	2,510,898
12 MONTHS ENDED 31 DECEMBER 2011							
At 1 January 2011	800,000	824,878	551,486	-	2,176,364	3,430	2,179,794
Total comprehensive income	-	-	334,242	(3,407)	330,835	198	331,033
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)
Dividend on ordinary shares	-	-	(80,000)	-	(80,000)	-	(80,000)
Total transaction with equity holders of the Company	-	(6,615)	(80,000)	-	(86,615)	-	(86,615)
At 31 December 2011	800,000	818,263	805,728	(3,407)	2,420,584	3,628	2,424,212

(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 20 February 2013.

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

A2.1 Basis of Preparation

These condensed consolidated interim financial statements, for the year ended 31 December 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 ("BMSB"). 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 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 year ended 31 December 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 year ended 31 December 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 twelve months period ended 31 December 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 31 December 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 31 December 2012.

A9. DIVIDEND PAID

The Company paid a final dividend of 10 sen per share on 4 July 2012 in respect of the 31 December 2011 financial period, totalling RM160.0 million (31 March 2011: 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	2,981,313	348,460	-	-	3,329,773
Inter-Segment	-	135,378	168	(135,546) *	-
	2,981,313	483,838	168	(135,546)	3,329,773
Result					
Operating profit	163,154	68,700	21,317 **	(10,373) *	242,798
Share of results of jointly controlled entities					(25,106)
Profit before taxation					217,692

* 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 figures have 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 31 December 2012	62,783	-	62,783

Goodwill during the period derived from the acquisition of Pasir Gudang Fabrication Yard ("PG Yard") together with movable and immovable assets located thereon 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 forecast on Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") based on approved financial budget covering a five-year period).

Goodwill was tested for impairment in the quarter as there were no indications of impairment as at 31 December 2012.

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 :-

	31 Dec 2012 RM '000	31 Dec 2011 RM '000
Unsecured		
Bank guarantees extended to third parties	206,594	8,073

A16. CAPITAL COMMITMENTS

	31 Dec 2012 RM '000	31 Dec 2011 RM '000
Approved and contracted for	170,366	143,658
Approved but not contracted for	436,154	162,783
	606,520	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 RM168,000 in credit (31.12.2011: RM2,328,000 in credit) are measured at Level 2 hierarchy.

B1. REVIEW OF PERFORMANCE

	Individual Quarter Ended		Cumulative Year Ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM '000	RM '000	RM '000	RM '000
Revenue				
Offshore	757,721	607,957	2,981,313	2,797,564
Marine	172,465	118,205	483,838	326,102
Others	36	83	168	1,394
Eliminations/Adjustments	(73,211) *^	(10,097) *^	(135,546) *^	(64,732) *^
	857,011	716,148	3,329,773	3,060,328
Operating Profit				
Offshore	52,818	37,745	163,154	260,474
Marine	16,787	11,501	68,700	8,882
Others	12,192	26,712	21,317	46,348
Eliminations/Adjustments	(4,492) *^	(23,024) *^	(10,373) *^	(21,108) *^
	77,305	52,934	242,798	294,596

* Inter-segment revenue and transactions are eliminated on consolidation.				
^ Inter-segment revenue elimination				
Marine	73,175	10,051	135,378	64,020
Others	36	46	168	712

a. Performance of current quarter against the corresponding quarter

The Group's operating profit of RM77.3 million was higher against the corresponding quarter's operating profit of RM52.9 million. Detailed analysis by each segment is as follows:

Offshore

The overall improvement to the Offshore's revenue and operating profit in the current quarter as compared against the corresponding quarter, is attributable to the higher project progress achieved from existing projects. Currently, some of the Group's projects in hand are at the advanced stages of completion and the Group is actively finalising the relevant Change Orders with respective clients for additional and changed scope of work to enhance value creation.

Marine

Marine's revenue and operating profit has improved against the corresponding quarter mainly from higher value and volume of repair works across all repair segments and in particular, LNG segment. During the quarter, four (4) LNG vessels were being repaired as compared to three (3) in the corresponding quarter.

Group

The Group registered a higher profit before tax amounting to RM60.2 million for the current quarter against RM54.1 million in the corresponding quarter. This was mainly attributable to better performance from Offshore and Marine segment as explained above.

b. Performance of current period against the corresponding period

The Group's operating profit of RM242.8 million was relatively lower against RM294.6 million of the corresponding period. Detailed analysis by each segment is as follows:

Offshore

The Offshore's revenue in the current period rose slightly mainly due to higher execution progress from the projects in hand. During the twelve (12) months period of operations, the Group has loaded out three (3) projects, i.e. Telok A topside and jacket and Tapis Q topside and jacket for Exxon Mobil Exploration and Production Malaysia Inc. ("EMEPMI") and the Kinabalu Non-Associated Gas ("NAG") Topside for Petronas Carigali Sdn Bhd.

However Offshore's operating profit for the current period registered a reduction when compared to the corresponding period due to provision for higher expected expenses for some on-going projects. The Group is actively finalising negotiation with clients through claims of Change Orders.

Marine

Revenue and operating profit of our Marine business has significantly improved against the corresponding period. The business unit has undertaken more projects in the LNG segment since the Group's primary focus is on energy-related vessels. In addition to these activities the EPCC contract of repair, life extension and conversion of an existing LNG vessel in Floating Storage Unit (FSU) Lekas which was successfully completed and delivered during the current period also contributed to the improved performance.

Group

The Group profit before tax for the year was RM217.7 million, relatively lower against the corresponding period of RM364.9 million. This was mainly due to the lower operating profit of the Offshore segment as explained above, and the share of losses arising from the jointly control entity's performance for the current period.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

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

B3. CURRENT YEAR PROSPECTS

The domestic Exploration and Production ("E&P") development and enhanced oil recovery initiatives are still buoyant, with a number of new discoveries being announced in the past one year. As these discoveries are expected to eventually result in more fabrication projects when they move into the development phase, MHB Group through its wholly owned subsidiary, Malaysia Marine and Heavy Engineering Sdn Bhd ("MMHE") believed that there are ample business opportunities to be pursued as MMHE is one of the main regional fabricators.

Over the past one year, the Group has benefited from this transition as E&P projects progressed towards the development phase with the award of the Sarawak Shell Berhad's F14/F29 Topsides, Substructure and Process Module contract which comprise of three (3) structures with a contract value of RM278.0 million. In addition MMHE was also awarded the Damar Platform Project by EMEPMI, which comprises of two (2) structures, the integrated Damar Topside and Damar Jacket with an estimated contract value of RM160.0 million. Subsequently, MMHE together with its joint venture partner has been awarded the TLP Malikai Deepwater project by Sabah Shell Petroleum Company Ltd. The scope comprise construction, fabrication and commissioning with a total contract value of approximately RM2.3 billion.

We expect all our Offshore projects to perform within expectation and our Marine business to remain competitive, notwithstanding the challenging environment of the shipping market.

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

	31 Dec 2012 RM '000	31 Dec 2011 RM '000
Taxation for the period comprises the following charge:		
Income tax charge		
- current period	(11,574)	(35,299)
- prior year	1,145	2,236
Deferred taxation	35,933	2,575
	25,504	(30,488)

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 18 February 2013 (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		-

The actual utilisation amount for the listing expenses was lower than the budgeted amount. Hence, the unutilised balance of RM5.5 million will be utilised for the Yard Optimisation Programme as per disclosure in the Company's Prospectus dated 6 October 2010.

B6. STATUS OF CORPORATE PROPOSALS (CONT'D)

a) The Board has given approval for the purchase consideration amounting to RM393.5 million in respect of the acquisition of the Pasir Gudang fabrication yard ("PG Yard") from Sime Darby Engineering Sdn Bhd by its wholly owned subsidiary, Malaysia Marine and Heavy Engineering Sdn Bhd, utilising from the proceeds as it forms part and parcel of the Yard Optimisation Programme as announced to Bursa on 4 April 2012.

b) Pursuant to the approval letter of the Securities Commission ("SC") dated 30 August 2010, the SC has imposed a condition for MHB to obtain the Certificate 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 has subsequently approved the extension of time until 31 December 2012 for MHB to comply with the Outstanding Condition. On 6 December 2012, MHB has complied to the Outstanding Condition and has obtained all certificates of fitness for occupation for all the building/structures owned with temporary permits.

B7. GROUP BORROWINGS

There were no borrowings as at 31 December 2012.

B8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the quarter ended 31 December 2012.

B9. CHANGES IN MATERIAL LITIGATION

There were no material litigation involving the Group as at 31 December 2012.

B10. DIVIDEND PROPOSED

The Board of Directors has recommended a final single tier dividend of 10 sen per share (31 December 2011: 10 sen) in respect of the financial year ended 31 December 2012 amounting to RM160.0 million (31 December 2011: RM160.0 million). The proposed dividend (if approved by the shareholders) will be paid on 2 July 2013 to shareholders registered at the close of business on 18 June 2013. A depositor shall qualify for entitlement to the dividend only in respect of:

(i) share transferred into the depositor's securities account before 4.00 pm on 18 June 2013 in respect of ordinary transfers; and

(ii) shares bought on the BMSB on a cum entitlement basis according to the rules of BMSB.

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 31 December 2012 are as follows:

	Contract/ Notional Amount as at 31 Dec 2012 (in RM '000)	**Fair Value (in RM '000)**
Forward foreign currency contracts		
- derivative assets	13,388	104
- derivative liabilities	31,931	(272)
	45,319	(168)

During the year, the Group has recognised a net gain of RM3,490,000 in its statement of comprehensive income mainly due to settlement of the forward foreign currency contracts in the current quarter and year, and a net unrealised loss of RM83,000 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 RM100.4 million in credit for the fourth quarter ended 31 December 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 fourth quarter ended 31 December 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 31 December 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.

	31 Dec 2012 RM '000	31 Dec 2011 RM '000
Total retained profits of the Company and its subsidiaries:		
- Realised	741,865	662,921
- Unrealised	(30,657)	(67,207)
	711,208	595,714
Total share of retained profits from jointly controlled entities:		
- Realised	19,707	44,751
- Unrealised	1,212	1,914
	732,127	642,379
Add: Consolidation adjustments	155,609	163,349
Total Group retained profits as per consolidated accounts	887,736	805,728

All retained profits for the Company level are realised profits.

B14. PROFIT FOR THE PERIOD

	Individual Quarter Ended		Cumulative Year Ended	
	31 Dec 2012 RM '000	31 Dec 2011 RM '000	31 Dec 2012 RM '000	31 Dec 2011 RM '000
Profit for the year is arrived at after charging/(crediting):				
Property, plant and equipment				
- Depreciation and amortisation	10,629	11,361	51,584	41,300
- written off	7,131	5,284	7,266	5,335
(Reversal of)/Impairment loss of trade receivables	(579)	4,303	(5,125)	5,177
Change in fair value of hedging derivatives	(245)	(1,080)	1,330	(1,075)
Net foreign exchange loss/(gain)	1,976	(3,436)	(4,878)	4,627
(Reversal)/Provision for and write off of inventories	(374)	289	(174)	2,146
(Reversal of)/Provision for liquidated ascertained damages	-	-	(4,947)	11,553
Loss on disposal of property, plant and equipment	-	-	-	477
Interest income	(7,329)	(16,342)	(40,697)	(61,041)
Rental income	(25,426)	(1,060)	(67,746)	(1,870)