

**MUHIBBAH ENGINEERING (M) BHD**

(Company No : 12737-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2017**

	<b>UNAUDITED AS AT 30.9.2017 RM'000</b>	<b>AUDITED AS AT 31.12.2016 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	809,832	801,363
Investment in associates	510,754	436,924
Other non-current assets	53,863	48,028
<b>Total non-current assets</b>	<b>1,374,449</b>	1,286,315
Receivables, deposits and prepayments	616,116	704,292
Amount due from contract customers	532,563	1,088,956
Inventories	296,416	265,906
Current tax assets and other assets	30,490	19,573
Cash and cash equivalents	639,109	737,605
<b>Total current assets</b>	<b>2,114,694</b>	2,816,332
<b>Total assets</b>	<b>3,489,143</b>	4,102,647
<b>Equity</b>		
Share capital	241,058	241,058
Reserves	777,157	735,145
<b>Total equity attributable to owners of the Company</b>	<b>1,018,215</b>	976,203
<b>Non-controlling interests</b>	<b>435,635</b>	404,333
<b>Total equity</b>	<b>1,453,850</b>	1,380,536
<b>Liabilities</b>		
Payables and accruals	11,634	13,517
Loans and borrowings	79,436	73,101
Deferred tax liabilities	56,759	56,696
<b>Total non-current liabilities</b>	<b>147,829</b>	143,314
Provision, payables and accruals	634,734	1,023,529
Amount due to contract customers	355,574	270,422
Bills payables	525,370	728,507
Loans and borrowings	365,292	532,208
Tax liabilities and other liabilities	6,494	24,131
<b>Total current liabilities</b>	<b>1,887,464</b>	2,578,797
<b>Total liabilities</b>	<b>2,035,293</b>	2,722,111
<b>Total equity and liabilities</b>	<b>3,489,143</b>	4,102,647
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.12</b>	2.03

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**MUHIBBAH ENGINEERING (M) BHD**

(Company No : 12737-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		30.9.2017 RM'000	30.9.2016 Restated RM'000	30.9.2017 RM'000	30.9.2016 Restated RM'000
Revenue (Note 1a)	A9	372,446	384,958	1,081,781	1,273,032
Cost of sales, other income and operating expenses		(341,117)	(363,243)	(1,002,561)	(1,198,635)
<b>Results from operating activities</b>		<b>31,329</b>	<b>21,715</b>	<b>79,220</b>	<b>74,397</b>
Interest income (including MFRS 139)		2,801	1,404	5,750	6,330
Finance costs ( including MFRS 139)		(1,918)	(8,015)	(15,939)	(21,029)
<b>Operating profit</b>	B5	<b>32,212</b>	<b>15,104</b>	<b>69,031</b>	<b>59,698</b>
Share of profit of associates, net of tax		18,440	18,433	94,059	63,428
<b>Profit before tax</b>		<b>50,652</b>	<b>33,537</b>	<b>163,090</b>	<b>123,126</b>
Tax expense	B6	(2,799)	5,292	(17,122)	(10,997)
<b>Profit for the period</b>		<b>47,853</b>	<b>38,829</b>	<b>145,968</b>	<b>112,129</b>
<b>Other comprehensive income/(expenses)</b>					
Foreign currency translation differences for foreign operations		(8,997)	13,648	(32,713)	26,641
<b>Other comprehensive income/(expense) for the period</b>		<b>(8,997)</b>	<b>13,648</b>	<b>(32,713)</b>	<b>26,641</b>
<b>Total comprehensive income for the period</b>		<b>38,856</b>	<b>52,477</b>	<b>113,255</b>	<b>138,770</b>
<b>Profit attributable to:</b>					
Owners of the Company		27,952	22,555	95,097	73,115
Non-controlling interests		19,901	16,274	50,871	39,014
<b>Profit for the period</b>		<b>47,853</b>	<b>38,829</b>	<b>145,968</b>	<b>112,129</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		21,072	35,412	68,430	86,693
Non-controlling interests		17,784	17,065	44,825	52,077
<b>Total comprehensive income for the period</b>		<b>38,856</b>	<b>52,477</b>	<b>113,255</b>	<b>138,770</b>
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	5.82	4.69	19.80	15.43
Diluted (Sen)	B11	5.82	4.69	19.80	15.43
<b>Note 1a - Revenue</b>					
Revenue as reported above		372,446	384,958	1,081,781	1,273,032
Share of associates' revenue		141,683	76,302	436,258	227,826
<b>Total revenue</b>		<b>514,129</b>	<b>461,260</b>	<b>1,518,039</b>	<b>1,500,858</b>
<b>Note</b>					
The Group accounts for its investment in associates using the equity method whereby the revenue of associates is excluded from the Group's revenue in the Consolidated Statements of Comprehensive Income. This note 1a shows the pro forma revenue of the Group including share of associates' revenue.					

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**MUHIBBAH ENGINEERING (M) BHD**

(Company No : 12737-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

(The figures have not been audited)

	← 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
	Share capital RM'000	Treasury shares RM'000	Non-distributable					
			Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000				
<b>At 1 January 2017</b>	<b>241,058</b>	<b>(5,561)</b>	<b>259,355</b>	<b>113,481</b>	<b>367,870</b>	<b>976,203</b>	<b>404,333</b>	<b>1,380,536</b>
Foreign currency translation differences for foreign operations	-	-	-	(26,667)	-	(26,667)	(6,046)	(32,713)
Profit for the period	-	-	-	-	95,097	95,097	50,871	145,968
Total comprehensive income for the period	-	-	-	(26,667)	95,097	68,430	44,825	113,255
Dividend to owners of the Company	-	-	-	-	(26,418)	(26,418)	-	(26,418)
Dividend to non-controlling interests	-	-	-	-	-	-	(13,523)	(13,523)
<b>At 30 September 2017</b>	<b>241,058</b>	<b>(5,561)</b>	<b>259,355</b>	<b>86,814</b>	<b>436,549</b>	<b>1,018,215</b>	<b>435,635</b>	<b>1,453,850</b>
<b>At 1 January 2016</b>								
As previously stated	235,297	(5,561)	256,344	67,850	262,116	816,046	267,753	1,083,799
Prior year adjustments	-	-	-	(2,310)	25,305	22,995	76,426	99,421
Restated	235,297	(5,561)	256,344	65,540	287,421	839,041	344,179	1,183,220
Foreign currency translation differences for foreign operations	-	-	-	13,578	-	13,578	13,063	26,641
Profit for the period	-	-	-	-	73,115	73,115	39,014	112,129
Total comprehensive income for the period	-	-	-	13,578	73,115	86,693	52,077	138,770
Share options exercised	5,761	-	4,379	-	-	10,140	2,936	13,076
Share options forfeited	-	-	(1,368)	-	1,368	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	(693)	(693)
Dilution of interest in subsidiary	-	-	-	-	(2,415)	(2,415)	2,415	-
Dividend to owners of the Company	-	-	-	-	(24,004)	(24,004)	-	(24,004)
Dividend to non-controlling interests	-	-	-	-	-	-	(6,185)	(6,185)
<b>At 30 September 2016</b>	<b>241,058</b>	<b>(5,561)</b>	<b>259,355</b>	<b>79,118</b>	<b>335,485</b>	<b>909,455</b>	<b>394,729</b>	<b>1,304,184</b>

(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 2016 and the accompanying explanatory notes attached to the interim financial statements)

**MUHIBBAH ENGINEERING (M) BHD**

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

	<b>Unaudited Period ended 30.9.2017  RM'000</b>	<b>Unaudited Period ended 30.9.2016 Restated RM'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>163,090</b>	123,126
Adjustment for:		
Depreciation and amortisation	45,605	49,560
Development cost charged out/(written back)	724	(879)
Finance costs	30,252	45,254
Finance costs under MFRS 139	95	44
Gain on disposal of property, plant and equipment	(627)	(687)
Net impairment loss on receivables	43	8,676
Gain on derivatives	(16,005)	(28,843)
Net loss on foreign exchange	4,665	18,133
Interest income	(5,704)	(4,502)
Interest income under MFRS 139	(46)	(1,828)
Property, plant and equipment written off	-	6
Net provision for warranties	8,301	10,171
Share of profit of associates	(94,059)	(63,428)
Write-back of inventories	-	(172)
<b>Operating profit before changes in working capital</b>	<b>136,334</b>	154,631
Receivables, deposits and prepayments	74,332	(39,434)
Inventories	(30,510)	17,322
Payables and accruals	(398,922)	2,055
Amount due from contract customers	641,545	(169,347)
<b>Cash generated from/(used in) operations</b>	<b>422,779</b>	(34,773)
Net income taxes paid	(35,266)	(20,690)
<b>Net cash generated from/(used in) operating activities</b>	<b>387,513</b>	(55,463)
<b>Cash flows from investing activities</b>		
Additions to development expenditures	(1,416)	-
Acquisition of non-controlling interests	-	(693)
Dividend received from associates	9,753	43,619
Interest received	5,704	4,502
Proceeds from disposal of property, plant and equipment	6,187	7,626
Purchase of property, plant and equipment	(66,020)	(61,146)
<b>Net cash used in investing activities</b>	<b>(45,792)</b>	(6,092)

**MUHIBBAH ENGINEERING (M) BHD**

(Company No : 12737-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

	<b>Unaudited Period ended 30.9.2017  RM'000</b>	<b>Unaudited Period ended 30.9.2016 Restated  RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the Company	<b>(26,418)</b>	(24,004)
Dividend paid to non-controlling interests	<b>(13,523)</b>	(17,771)
Interests paid	<b>(30,252)</b>	(45,254)
Proceeds from exercise of share options and warrants	<b>-</b>	10,140
Proceeds from issuance of shares to non-controlling interests of a subsidiary	<b>-</b>	2,936
Net (repayment)/drawdown of loans and borrowings	<b>(397,881)</b>	61,824
<b>Net cash used in financing activities</b>	<b>(468,074)</b>	(12,129)
<b>Currency translation differences</b>	<b>(6,306)</b>	36,852
<b>Net decrease in cash and cash equivalents</b>	<b>(132,659)</b>	(36,832)
<b>Cash and cash equivalents at 1 January</b>	<b>731,686</b>	562,575
<b>Cash and cash equivalents at 30 September</b>	<b>599,027</b>	525,743

Cash and cash equivalents included in the cash flow statements comprise the following Statement of Financial Position amounts:

	<b>30.9.2017 RM'000</b>	<b>30.9.2016 RM'000</b>
Cash and bank balances	<b>373,345</b>	394,953
Deposits placed with licensed banks	<b>265,764</b>	149,810
Cash and cash equivalents as per Statement of Financial Position	<b>639,109</b>	544,763
Bank overdrafts	<b>(40,082)</b>	(19,020)
	<b>599,027</b>	525,743

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements)

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

**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

**A. NOTES TO INTERIM FINANCIAL STATEMENTS**

**A1. 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 2016. 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 2016.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016 except for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2017:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective Date</u>
• Amendments to MFRS 107: Disclosure Initiative	1 January 2017
• Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
• Annual Improvements to MFRS Standards 2014 - 2016 Cycles - Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017

The adoption of the above amendments and Annual Improvements to Standards did not have any material impact on the Group and the Company's financial statements upon their initial application.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective Date</u>
• MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
• MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
• IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
• Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
• Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
• Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
• Amendments to MFRS 140: Transfers to Investment Property	1 January 2018
• Annual Improvements MFRS Standards 2014 - 2016 Cycles: - Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters - Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
• MFRS 16 Leases	1 January 2019
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The initial application of the abovementioned standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group upon first adoption except as follows:

## A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### MFRS 9 (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

### MFRS 15: Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15 & Amendments to MFRS 15: Clarifications to MFRS 15

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates the application of MFRS 15 in the future may have an impact on the amounts reports and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

## A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The Auditors' Report of the financial statements for the preceding financial year ended 31 December 2016 was not subject to any qualification.

## A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

## A5. EXCEPTIONAL OR UNUSUAL ITEMS

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

## A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have a material effect in the current quarter under review.

## A7. DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities for the quarter under review.

## A8. DIVIDEND PAID

During the quarter under review, the following dividend payment was made:

	RM'000
A first and final tax exempt dividend of 5.50 sen per ordinary share in respect of the financial year ended 31 December 2016, paid 20 September 2017	<u>26,418</u>

## A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group (including share of associates' revenue):

	Period ended 30.9.2017	
	Total Revenue	Profit before tax
	RM'000	RM'000
Infrastructure construction	1,157,778	85,756
Cranes	440,859	64,573
Concessions	250,368	83,268
	<u>1,849,005</u>	<u>233,597</u>
Less: Group eliminations	(330,966)	(70,507)
	<u>1,518,039</u>	<u>163,090</u>

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There were no changes to the valuation of property, plant & equipment brought forward from the previous annual financial statements.

**A11. MATERIAL SUBSEQUENT EVENTS**

There were no material subsequent events from the end of the current quarter to 22 November 2017, which was likely to substantially affect the results of the operations of the Company.

**A12. CHANGES IN THE GROUP'S COMPOSITION**

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

**A13. CONTINGENT ASSETS/LIABILITIES**

Please refer to note B9 for contingent assets/liabilities for the Group.

**A14. CAPITAL COMMITMENTS**

Capital commitments as at 30 September 2017 is approximately RM26 million.

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**MUHIBBAH ENGINEERING (M) BHD**  
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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (3RD QUARTER)**

**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1. REVIEW OF GROUP PERFORMANCE (YTD Q3 2017 vs. YTD Q3 2016)**

The Group reported consolidated revenue (including share of associates' revenue) of RM1.5 billion with profit after taxation of RM146.0 million for the cumulative period ended 30 September 2017 as compared to revenue (including share of associates' revenue) of RM1.5 billion with profit after taxation of RM112.1 million for the corresponding period ended 30 September 2016. The improvement is mainly contributed by construction division with increased contribution from construction joint venture projects. The concession business has also seen growth in both revenue and profit in tandem with the economy and tourism growth.

**B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q3 2017 vs. Q2 2017)**

The Group generated higher consolidated revenue (including share of associates' revenue) of RM652.1 million with higher profit after taxation of RM53.7 million for the preceding quarter as compared to revenue (including share of associates' revenue) of RM514.1 million with profit after taxation of RM47.9 million for the current quarter, mainly resulted from higher work progress of the construction division in the preceding quarter.

**B3. GROUP'S CURRENT YEAR PROSPECT**

**a) Secured Order Book**

As at 22 November 2017, the total outstanding secured order book in hand of the Group is RM1.9 billion.

**b) Current Year Prospect**

The Group continues to pursue infrastructure and marine projects from both overseas and domestic markets.

**B4. PROFIT FORECAST**

The Group has not issued any profit forecast to the relevant authorities and is not subject to any profit guarantee.

**B5. OPERATING PROFIT**

	<b>Current Quarter 30.9.2017 RM'000</b>	<b>Cumulative Qtr 30.9.2017 RM'000</b>
Operating profit is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	13,126	45,605
Finance costs		
-Income statement	1,886	15,844
-Contract cost	4,274	14,408
	6,160	30,252
Finance costs under MFRS 139	32	95
Interest income	(2,786)	(5,704)
Interest income under MFRS 139	(15)	(46)
Net loss on foreign exchange	259	4,665
Gain on derivatives	1,200	(16,005)
Gain on disposal of property, plant and equipment	7	(627)
Impairment loss on receivables	4,236	43
Other income	(3,948)	(5,928)

**B6. TAXATION**

	<b>Current Quarter 30.9.2017 RM'000</b>	<b>Cumulative Qtr 30.9.2017 RM'000</b>
<b>Current tax expense</b>		
Malaysia	(16,413)	(19,120)
Overseas	4,274	(3,606)
	(12,139)	(22,726)
<b>Deferred tax expense</b>		
Malaysia	9,340	5,604
Overseas	-	-
	9,340	5,604
<b>Total tax expense</b>	<u>(2,799)</u>	<u>(17,122)</u>

**B7. CORPORATE PROPOSALS**

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

On 5 October 2017, Favelle Favco Berhad, a subsidiary of the Company, announced that it had entered into a Heads of Agreement with a group of individual vendors of Exact Automation Sdn Bhd, Sedia Teguh Sdn Bhd, Exact Analytical Sdn Bhd and Exact Oil & Gas Sdn Bhd (collectively named as "Target Companies") to acquire seventy percent (70%) equity interest in each of the Target Companies.

The due diligence on the Target Companies is ongoing.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

	<b>Foreign Currency</b>		<b>30.9.2017 RM'000</b>
	<b>Currency</b>	<b>Amount</b>	
Short term borrowings		'000	
Secured	RM	17,811	17,811
	Sub- total		17,811
Unsecured	RM	341,258	341,258
	DKK	9,305	6,223
	Sub- total		347,481
<b>Total Short Term Borrowings</b>			<b>365,292</b>
Long term borrowings			
Secured	RM	13,861	13,861
Unsecured	RM	65,575	65,575
<b>Total Long Term Borrowings</b>			<b>79,436</b>
<b>Total borrowings</b>			<b>444,728</b>

**B9. CHANGES IN MATERIAL LITIGATION**

The on-going material litigation of the Group as at 22 November 2017 are as follow:

**Nominated Subcontractors for Hamad International Airport Project**

The Company has good ground to defend the alleged claims from two Nominated Subcontractors for Hamad International Airport, namely Eisenmann Anlagenbau GmbH & Co. KG and Envac Scandinavia A.B., amounting to a total of QAR70.1 million and has filed a counter claim against Envac Scandinavia A.B. The abovementioned arbitration cases are ongoing.

**B10. PROPOSED DIVIDEND**

The Directors did not recommend any interim dividend for the financial period under review.

**B11. EARNINGS PER SHARE ("EPS")****Basic/Diluted EPS**

	Basic EPS		Diluted EPS	
	Current 30.9.2017	Cumulative 30.9.2017	Current 30.9.2017	Cumulative 30.9.2017
Net profit attributable to the owners of the Company (RM'000)	27,952	95,097	27,952	95,097
Weighted average number of ordinary shares in issue ('000)	480,331	480,331	480,331	480,331
Effect of dilution: Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	480,331	480,331	480,331	480,331
EPS (Sen)	5.82	19.80	5.82	19.80

**B12. REALISED AND UNREALISED PROFITS/(LOSSES)**

	As at 30.9.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits/ (accumulated losses) of Muhibbah Engineering (M) Bhd and its subsidiaries:		
- Realised	387,555	211,684
- Unrealised	(10,448)	80,892
	377,107	292,576
Total retained profits/ (accumulated losses) from associated companies:		
- Realised	283,561	210,569
- Unrealised	1,883	1,076
	285,444	211,645
Less: Consolidation adjustments	(226,002)	(136,351)
Total Group retained profits	436,549	367,870

**B13. COMPARATIVE FIGURES**

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

**By order of the Board of Directors**  
**Company Secretary**  
**Date : 29 November 2017**