

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 2012 (3RD QUARTER)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30.09.2012 RM'000	AUDITED AS AT 31.12.2011 RM'000
Assets		
Property, plant and equipment	780,612	764,381
Investment in associates	151,176	141,853
Goodwill and other intangible assets	-	-
Other non-current assets	19,534	20,714
Total non-current assets	951,322	926,948
Receivables, deposits and prepayments	1,069,331	891,074
Amount due from contract customers	432,465	536,876
Inventories	212,214	202,965
Current tax assets	4,361	1,381
Derivative assets	3,916	6,438
Cash and cash equivalents	294,423	323,241
Total current assets	2,016,710	1,961,975
Total assets	2,968,032	2,888,923
Equity		
Share capital	204,107	204,107
Reserves	350,400	311,286
Total equity attributable to owners of the Company	554,507	515,393
Non-controlling interests	143,638	124,583
Total equity	698,145	639,976
Liabilities		
Payables and accruals	14,037	14,970
Loans and borrowings	218,709	234,264
Deferred tax liabilities	47,047	46,492
Total non-current liabilities	279,793	295,726
Provision, payables and accruals	682,688	739,558
Amount due to contract customers	342,586	289,936
Bills payables	731,317	698,705
Loans and borrowings	226,000	215,523
Tax liabilities	7,503	9,499
Total current liabilities	1,990,094	1,953,221
Total liabilities	2,269,887	2,248,947
Total equity and liabilities	2,968,032	2,888,923
Net assets per share attributable to owners of the Company (RM)	1.36	1.27

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

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (3RD QUARTER)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Revenue		580,175	523,722	1,624,714	1,431,160
Cost of sales and operating expenses		(550,834)	(498,059)	(1,560,823)	(1,367,526)
Other income		(1,501)	3,402	8,850	8,681
Results from operating activities		27,840	29,065	72,741	72,315
Interest income		1,377	4,088	3,395	6,653
Finance costs		(4,075)	(4,464)	(15,835)	(16,292)
Operating profit		25,142	28,689	60,301	62,676
Share of profit after tax and minority interest of equity accounted associates		11,318	4,569	29,682	18,953
Profit before tax		36,460	33,258	89,983	81,629
Tax expense	19.	(6,816)	(10,410)	(12,475)	(21,920)
Profit for the period		29,644	22,848	77,508	59,709
Other comprehensive income					
Foreign currency translation differences for foreign operations		(3,952)	2,332	(4,710)	5,590
Other comprehensive income for the period		(3,952)	2,332	(4,710)	5,590
Total comprehensive income for the period		25,692	25,180	72,798	65,299
Profit attributable to:					
Owners of the Company		19,124	16,783	52,707	48,800
Non-controlling interests		10,520	6,065	24,801	10,909
Profit for the period		29,644	22,848	77,508	59,709
Total comprehensive income attributable to:					
Owners of the Company		14,526	19,762	48,148	53,469
Non-controlling interests		11,166	5,418	24,650	11,830
Total comprehensive income for the period		25,692	25,180	72,798	65,299
Earnings per ordinary share					
Basic (Sen)	23.	4.71	4.13	12.97	12.17
Diluted (Sen)	23.	4.59	4.04	12.65	11.89

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

MUHIBBAH ENGINEERING (M) BHD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (3RD QUARTER)**

	Attributable to shareholders of the Company				Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable					
	Share capital RM'000	Treasury shares RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000				
At 1 January 2011								
As previously stated	199,196	(5,561)	128,850	(1,266)	130,295	451,514	107,551	559,065
Effect of adopting MFRS	-	-	-	1,266	(1,266)	-	-	-
At 1 January 2011, restated	199,196	(5,561)	128,850	-	129,029	451,514	107,551	559,065
Foreign currency translation differences for foreign operations	-	-	-	4,669	-	4,669	921	5,590
Profit for the period	-	-	-	-	48,800	48,800	10,909	59,709
Total comprehensive income for the period	-	-	-	4,669	48,800	53,469	11,830	65,299
Share option exercised	4,910	-	(191)	-	-	4,719	1,298	6,017
Share option forfeited	-	-	(1,311)	-	1,311	-	(239)	(239)
Dilution of interest in subsidiary	-	-	-	-	-	-	517	517
Dividends to owner of the Company	-	-	-	-	(10,666)	(10,666)	-	(10,666)
Dividends to non-controlling interest	-	-	-	-	-	-	(5,160)	(5,160)
At 30 September 2011, as restated	204,106	(5,561)	127,348	4,669	168,474	499,036	115,797	614,833
At 1 January 2012								
As previously stated	204,107	(5,561)	130,392	2,074	184,381	515,393	124,583	639,976
Share option forfeited	-	-	(604)	-	604	-	-	-
Effect of adopting MFRS	-	-	-	1,266	(1,266)	-	-	-
At 1 January 2012, restated	204,107	(5,561)	129,788	3,340	183,719	515,393	124,583	639,976
Foreign currency translation differences for foreign operations	-	-	-	(4,559)	-	(4,559)	(151)	(4,710)
Profit for the period	-	-	-	-	52,707	52,707	24,801	77,508
Total comprehensive income for the period	-	-	-	(4,559)	52,707	48,148	24,650	72,798
Share-based payments	-	-	6,207	-	-	6,207	630	6,837
Dividends to owner of the Company	-	-	-	-	(15,241)	(15,241)	-	(15,241)
Dividends to minority interests	-	-	-	-	-	-	(6,225)	(6,225)
At 30 September 2012	204,107	(5,561)	135,995	(1,219)	221,185	554,507	143,638	698,145

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

MUHIBBAH ENGINEERING (M) BHD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (3RD QUARTER)**

	Unaudited YTD 30.9.2012 RM'000	Unaudited YTD 30.9.2011 RM'000
Profit before tax	89,983	81,629
Adjustment for:		
Amortisation of development costs	1,670	1,311
Amortisation of land held for development	53	26
Depreciation of investment properties	12	12
Depreciation of property, plant and equipment	35,823	37,008
Fair value adjustment on derivative instruments	2,522	36,664
Finance costs	33,041	30,478
(Gain)/ loss on disposal of property, plant and equipments	(1,863)	(1,024)
Impairment loss on receivables	112	1,887
Reversal of impairment loss on receivables	(10,716)	(10,962)
Interest income	(3,395)	(8,663)
Property, plant and equipment written off	191	3,185
Provision for warranties	4,710	386
Reversal of impairment on other investment	-	(26)
Reversal of provision for warranties	(1,139)	(5,138)
Share based payment	6,837	(527)
Share of profit of associates	(29,682)	(18,953)
Write-down of inventories	733	831
Operating profit before changes in working capital	128,892	148,124
Receivables, deposits and prepayments	(177,157)	122,248
Inventories	(9,982)	(9,058)
Payables and accruals	(61,304)	(289,338)
Amount due to/ (from) contract customers	157,061	221,442
Cash generated from/ (used in) operations	37,510	193,418
Net income taxes paid	(16,743)	(16,224)
Net cash generated from/(used in) operating activities	20,767	177,194
Cash flows from investing activities		
Additions to development expenditures	(811)	(1,067)
Acquisition of non-controlling interest	-	(472)
Dividend received from associates	19,643	8,200
Investment in associates	(2,447)	(223)
Interest received	3,350	5,161
Proceed from disposal of property, plant and equipment	7,882	5,060
Purchase of property, plant and equipment	(52,653)	(176,016)
Purchase of other non-currents assets	-	(500)
Net cash used in investing activities	(25,036)	(159,857)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (3RD QUARTER)**

(cont'd)

	Unaudited YTD 30.9.2012 RM'000	Unaudited YTD 30.9.2011 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(15,241)	(10,666)
Dividend paid to non-controlling interest	(6,225)	(5,160)
Interest paid	(32,891)	(29,424)
Proceed from exercise of share options	-	5,007
Proceed from issuance of shares to non-controlling interests	-	1,298
Net drawdown/ (repayment) of loans and borrowings	(7,465)	69,665
Net cash generated from financing activities	(61,822)	30,720
Currency translation differences	2,274	(1,441)
Net increase in cash and cash equivalents	(63,817)	46,616
Cash and cash equivalents at 1 January	315,834	192,342
Cash and cash equivalents at 30 September	252,017	238,958

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

	30.9.2012 RM'000	30.9.2011 RM'000
Cash and bank balances	158,345	193,665
Deposits placed with licensed banks	136,078	81,026
Cash and cash equivalents per balance sheet	294,423	274,691
Bank overdrafts	(42,406)	(35,733)
	252,017	238,958

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

MUHIBBAH ENGINEERING (M) BHD
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ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (3RD QUARTER)

1. BASIS OF PREPARATION

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

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

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

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

2. CHANGES IN ACCOUNTING POLICIES

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

Foreign currency translation reserve ("FCTR")

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

Reconciliation of equity as at 1 January 2011

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

Reconciliation of equity as at 30 September 2011

	FRS as at 30.9.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 30.9.2011 RM'000
Equity			
FCTR	3,403	1,266	4,669
Retained earnings	169,740	(1,266)	168,474

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Foreign currency translation reserve ("FCTR") (Cont'd)

Reconciliation of equity as at 31 December 2011

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

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

		<u>Effective Date</u>
• MFRS 9	Financial Instruments	1 January 2015
• MFRS 10	Consolidated Financial Statements	1 January 2013
• MFRS 11	Joint Arrangements	1 January 2013
• MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
• MFRS 13	Fair Value Measurement	1 January 2013
• MFRS 119	Employee Benefits	1 January 2013
• MFRS 127	Separate Financial Statements	1 January 2013
• MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
• Amendments to MFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
• Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
• Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
• IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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

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

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

5. EXCEPTIONAL OR UNUSUAL ITEMS

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

6. MATERIAL CHANGES IN ESTIMATES

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

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter under review.

8. DIVIDEND PAYMENT

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

9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Period ended 30.9.2012	
	Revenue RM'000	Profit before tax RM'000
Infrastructure construction	1,468,002	39,960
Cranes	525,099	55,954
Marine ship repair and ship building	100,302	20,647
Concession	-	24,033
	<hr/>	<hr/>
	2,093,403	140,594
Less: Group eliminations	(468,689)	(50,611)
	<hr/>	<hr/>
	<u>1,624,714</u>	<u>89,983</u>

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes to the valuation of property, plant and equipment from the previous year's audited financial statements.

11. MATERIAL SUBSEQUENT EVENTS

There is no material subsequent event from the end of the period to 22 November 2012.

12. MATERIAL CHANGES IN THE GROUP'S COMPOSITION

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

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

Corporate guarantees for credit facilities granted to subsidiary companies	<u><u>RM'000</u></u> <u>91,345</u>
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14. COMPARISON WITH PRECEDING QUARTER RESULTS (Q3 2012 vs. Q2 2012)

The Group recorded a higher profit before tax of RM36.5 million for the quarter ended 30 September 2012 as compared to the profit before tax of RM28.8 million in the preceding quarter .

This improvement in profit before tax is mainly contributed by cranes and concession divisions.

15. REVIEW OF GROUP PERFORMANCE (YTD Q3 2012 vs. YTD Q3 2011)

The Group recorded an increase in revenue by 14% to RM1,624.7 million for 9 months period ended 30 September 2012 as compared to RM1,431.2 million in the corresponding quarter in the preceding year ended 30 September 2011.

The Group recorded an increase of 10.2% consolidated profit before tax to RM90.0 million for the period ended 30 September 2012 under review as compared to RM81.6million for the corresponding period ended 30 September 2011.

The better result is mainly derived from improved results of the listed cranes subsidiary-Favelle Favco Bhd which generated higher revenue with better profit margin as well as Cambodia airport concession which has seen higher arrival of international tourists and business travellers.

16. GROUP'S CURRENT YEAR PROSPECT

a) Secured Order Book

As at 22 November 2012, the total outstanding secured order book in hand of the Group is RM2.21 billion, comprises of RM1.40 billion from Infrastructure Construction Division, RM746 million from Cranes Division and RM61 million from Shipyard Division. These outstanding order books will take us into 2014.

b) Current Year Prospect

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

17. PROFIT FORECAST

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

18. OPERATING PROFIT

	Current Quarter 30.9.2012 RM'000	Cumulative Qtr To date 30.9.2012 RM'000
Operating profit is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	13,151	37,558
Finance costs		
-Income statement	4,075	15,835
-contract cost	3,507	17,206
	<u>7,582</u>	<u>33,041</u>
(Gain)/loss on derivatives/ foreign exchange	(3,028)	(453)
(Gain)/loss on disposal of property,plant and equipment	(464)	(1,863)
Provision for and write off of inventories	733	733
	<u>733</u>	<u>733</u>

19. TAXATION

	Current Quarter 30.9.2012 RM'000	Cumulative Qtr To date 30.9.2012 RM'000
Corporate tax expense		
Malaysia - current	(6,529)	(11,096)
Overseas - current	(166)	(740)
	<u>(6,695)</u>	<u>(11,836)</u>
Deferred tax expense		
Malaysia - current	(121)	(639)
Overseas - current	-	-
	<u>(121)</u>	<u>(639)</u>
Total tax expense	<u>(6,816)</u>	<u>(12,475)</u>

The Group's effective tax rate for the current period is lower than the statutory tax rate mainly due to tax incentive enjoyed by the crane division.

20. CORPORATE PROPOSALS

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

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

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

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

21. GROUP BORROWINGS AND DEBT SECURITIES

		Foreign Currency		RM'000
		Currency	Amount	
a)	Short term borrowings			
	Secured	RM	16,059	16,059
		AUD	1,561	4,998
		Sub- total		21,057
	Unsecured	RM	197,775	197,775
		USD	545	1,672
		SGD	2,104	5,262
		Sub- total		204,709
b)	Hire purchase and finance lease	RM	51	51
		DKK	345	183
		Sub- total		234
Total Short Term Borrowings				226,000
a)	Long term borrowings			
	Secured	RM	61,531	61,531
		Sub-total		61,531
	Unsecured	RM	157,116	157,116
		Sub-total		157,116
b)	Hire purchase and finance lease	RM	4	4
		DKK	109	58
		Sub-total		62
Total Long Term Borrowings				218,709
Total borrowings				444,709

22. MATERIAL LITIGATION

The ongoing material litigation of the Group are as follow:

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

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

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

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

22. MATERIAL LITIGATION (cont'd)

iii. Supreme Court of the State of New York

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

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

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

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

The Suit commenced by the Company against ZAQ, as previously reported remains ongoing.

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

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

23. EARNINGS PER SHARE ("EPS")

a) Basic EPS

	Basic EPS		Diluted EPS	
	Current	Cumulative	Current	Cumulative
	30.9.2012		30.9.2012	
Net profit attributable to the owners of the Company (RM'000)	19,124	52,707	19,124	52,707
Weighted average number of ordinary shares in issue ('000)	406,430	406,430	406,430	406,430
Effect of dilution:				
Share options ('000)	-	-	8,156	8,156
Warrants ('000)	-	-	1,947	1,947
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	406,430	406,430	416,533	416,533
EPS (Sen)	4.71	12.97	4.59	12.65

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 30.9.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits/ (accumulated losses) of Muhibbah Engineering (M) Bhd and its subsidiaries:		
- Realised	248,352	166,174
- Unrealised	(33,824)	(18,710)
	214,528	147,464
Total retained profits/ (accumulated losses) from associated companies:		
- Realised	91,320	81,285
- Unrealised	(556)	(561)
	90,764	80,724
Less: Consolidation adjustments	(84,107)	(43,807)
Total Group retained profits	221,185	184,381

25. ASIA PETROLEUM HUB PROJECT ("APH")

Muhibbah has taken legal action against ZAQ Construction Sdn Bhd ("ZAQ"), the main contractor for the APH project, to recover certified progressive claims related to work done for the APH project. The case is now pending trial.

As previously announced, APH has been wound up on 19 October 2012. The Official Receiver ("OR") who was appointed by the Court had convened a creditors' meeting on 12 November 2012. Following the said meeting, the OR will make an application to the Court to fix a hearing date for the determination of the appointment of a private liquidator.

Muhibbah has submitted its Proof of Debt to the OR for a total claim of RM432.7 million which includes progress claims pending certification of RM7.5 million in respect for work done as at 19 October 2012.

Legal opinions from solicitors indicate that the Company is to continue its efforts to pursue actions against relevant parties for recovery of debts. Meanwhile, the Company is also in the process of discussion with various parties for a solution. As at the balance sheet date, the Company has made provision of RM180 million for this project.

26. COMPARATIVE FIGURES

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

27. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2012.

By order of the Board of Directors
Company Secretary
Date : 29 November 2012