

**Condensed Consolidated Income Statements**  
**Quarterly report on unaudited consolidated results**  
**For the period ended 31 March 2007**

	<u>3 months</u> <u>quarter ended</u> <u>31.03.07</u> RM'000 (Unaudited)	<u>3 months</u> <u>quarter ended</u> <u>31.03.06</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>3 months</u> <u>31.03.07</u> RM'000 (Unaudited)	<u>Cumulative</u> <u>3 months</u> <u>31.03.06</u> RM'000 (Unaudited)
Revenue	758,678	508,006	758,678	508,006
Cost of sales	<u>(512,952)</u>	<u>(359,820)</u>	<u>(512,952)</u>	<u>(359,820)</u>
Gross profit	245,726	148,186	245,726	148,186
Other Operating Income	9,442	4,306	9,442	4,306
Distribution costs	(513)	(376)	(513)	(376)
Administrative expenses	(88,926)	(61,195)	(88,926)	(61,195)
Operating expenses	(8,088)	(7,763)	(8,088)	(7,763)
Finance cost	(51,388)	(41,266)	(51,388)	(41,266)
Share of results of associated companies and jointly controlled entities	<u>31,414</u>	<u>35,637</u>	<u>31,414</u>	<u>35,637</u>
Profit before taxation	137,667	77,529	137,667	77,529
Taxation	<u>(3,482)</u>	<u>(14,341)</u>	<u>(3,482)</u>	<u>(14,341)</u>
Net profit for the period	<u><u>134,185</u></u>	<u><u>63,188</u></u>	<u><u>134,185</u></u>	<u><u>63,188</u></u>
Attributable to:				
Equity shareholders	91,918	40,746	91,918	40,746
Minority interest	<u>42,267</u>	<u>22,442</u>	<u>42,267</u>	<u>22,442</u>
	<u><u>134,185</u></u>	<u><u>63,188</u></u>	<u><u>134,185</u></u>	<u><u>63,188</u></u>
Basic earnings per ordinary share (sen)	6.04	2.68	6.04	2.68
Diluted earnings per ordinary share (sen)	6.04	2.68	6.04	2.68

The Condensed Unaudited Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**Condensed Consolidated Balance Sheet**  
**As at 31 March 2007**

	<b>As at</b> <b>31.03.07</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at</b> <b>31.12.06</b> <b>RM'000</b> <b>(Audited)</b>
Property, plant and equipment	4,679,807	4,651,866
Investment property	32,808	32,953
Prepaid lease payments	558,729	571,072
Investment in associated companies	1,465,933	1,458,529
Investment in jointly controlled entities	145,793	146,337
Deferred tax assets	6,988	6,603
Intangible assets	1,722,673	1,723,248
	<u>8,612,731</u>	<u>8,590,608</u>
<b>Current assets</b>		
Inventories	33,162	33,322
Trade and other receivables	683,264	606,003
Amount due from holding company	15,780	15,780
Marketable securities	85,276	85,276
Deposits, bank and cash balances	651,176	666,415
	<u>1,468,658</u>	<u>1,406,796</u>
<b>Current liabilities</b>		
Trade and other payables	640,542	657,501
Borrowings	539,323	567,645
Taxation	4,739	6,195
	<u>1,184,604</u>	<u>1,231,341</u>
<b>Net current assets</b>	<u>284,054</u>	<u>175,455</u>
	<u>8,896,785</u>	<u>8,766,063</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	152,253	152,253
Reserves	4,085,334	3,993,430
	<u>4,237,587</u>	<u>4,145,683</u>
Minority interests	488,894	444,730
<b>Total equity</b>	<u>4,726,481</u>	<u>4,590,413</u>
<b>Non current liabilities</b>		
Redeemable Preference Shares	94,046	94,046
Redeemable convertible subordinated loans	158,355	158,355
Borrowings	3,351,762	3,376,994
Landlease received in advance	208,255	178,483
Provision for retirement benefits	15,114	15,128
Deferred income	48,454	48,666
Deferred tax liabilities	294,318	303,978
	<u>8,896,785</u>	<u>8,766,063</u>
Net assets per share attributable to ordinary equity holders of parent (sen)	278	272

The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

Condensed Unaudited Consolidated Statement of Changes in Equity  
For the period ended 31 March 2007

	Attributable to equity holders of the parent						Total	Minority interest	Total	
	Non-distributable			Distributable						
	Share Capital	Share Premium	Foreign Exchange Reserve	Revaluation Reserve	Capital** Reserves	Capital* Reserves	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2007	152,253	2,039,770	(55,765)	28,120	216,463	350,107	1,414,735	4,145,683	444,730	4,590,413
Currency translation differences	-	-	(14)	-	-	-	-	(14)	-	(14)
Net income recognised directly in equity	-	-	(14)	-	-	-	-	(14)	-	(14)
Net profit for the period	-	-	-	-	-	-	91,918	91,918	42,267	134,185
Decrease in equity interest in existing subsidiary	-	-	-	-	-	-	-	-	1,897	1,897
At 31 March 2007	152,253	2,039,770	(55,779)	28,120	216,463	350,107	1,506,653	4,237,587	488,894	4,726,481
At 1 January 2006	152,253	2,039,770	(55,809)	28,120	211,963	350,107	1,025,356	3,751,760	283,269	4,035,029
Acquisition of a subsidiary	-	-	-	-	-	-	69,629	69,629	468,261	537,890
Currency translation differences	-	-	247	-	-	-	-	247	-	247
Net income recognised directly in equity	-	-	247	-	-	-	69,629	69,876	468,261	538,137
Net profit for the period	-	-	-	-	-	-	40,746	40,746	22,442	63,188
At 31 March 2006	152,253	2,039,770	(55,562)	28,120	211,963	350,107	1,135,731	3,862,382	773,972	4,636,354

\* - The distributable capital reserves represent mainly the net gain from disposals of investments.

\*\* - The non-distributable capital reserves mainly consist of share premium of another company that merged with the Group in 1976.

**Condensed Unaudited Consolidated Cash Flow Statement**  
**For the period ended 31 March 2007**

	<b>3 months ended 31.03.07 RM'000 (Unaudited)</b>	<b>3 months ended 31.03.06 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	137,667	77,529
Adjustments for:		
Non-cash items	58,254	40,829
Interest expense	51,388	41,266
Interest income	(5,057)	(2,846)
Dividend income	(55)	-
Share of results in associates and jointly controlled entities	(31,414)	(35,637)
Operating profit before working capital changes	210,783	121,141
Changes in working capital:		
Net change in current assets	(76,131)	(26,136)
Net change in current liabilities	14,874	5,128
Cash generated from operations	149,526	100,133
Tax paid	(18,588)	(720)
<b>Net cash generated from operating activities</b>	<b>130,938</b>	<b>99,413</b>
<b>Cash flows from investing activities</b>		
Net cash outflow from acquisition of subsidiary	-	(192,440)
Purchase of property, plant and equipment	(78,733)	(112,790)
Redemption of preference shares in associate company	3,000	(2,000)
Proceeds from sale of property, plant and equipment	100	169
Cash inflow on the issuance of shares from a subsidiary	3,000	-
Proceeds from sale of associate	1,813	-
Interest received	5,057	2,846
Dividend received	24,609	27,278
Research and development expenses paid	(67)	(439)
<b>Net cash used in investing activities</b>	<b>(41,221)</b>	<b>(277,376)</b>
<b>Cash flows from financing activities</b>		
Drawdown of term loans	14,225	614,160
Repayment of term loans	(67,982)	(156,496)
Interest paid	(51,388)	(41,266)
<b>Net cash generated (used in) / from financing activities</b>	<b>(105,145)</b>	<b>416,398</b>
Net increase in cash and cash equivalents	(15,428)	238,435
Effects of changes in exchange rate	(14)	247
Cash & Cash Equivalents at beginning of financial year	651,080	446,281
<b>Cash and cash equivalents at end of financial year</b>	<b>635,638</b>	<b>684,963</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits and bank balances	651,176	756,068
Designated accounts	(12,444)	(71,083)
Pledge deposits	(22)	(22)
Bank overdrafts	(3,072)	-
	<b>635,638</b>	<b>684,963</b>

The Condensed Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

## **Notes to the interim financial statements**

### **1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006. 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 financial year ended 31 December 2006.

### **2. Changes in Accounting Policies**

The significant accounting policies and method of computation adopted by the Group are consistent with those adopted in the financial statements for the financial year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 October 2006.

FRS 117 Leases

FRS 124 Related Party Disclosures

The significant effect of the changes in accounting policies resulting from the adoption of new/revised FRS's are discussed below:

### FRS 117 Leases

The adoption of the revised FRS 117 has resulted in a retrospective application of the change to the accounting policy relating to the classification of leasehold land. The up-front payment made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and land held for development. Property, plant and equipment were stated at cost less accumulated depreciation and impairment losses, whereas, the land held for development was stated at cost less accumulated impairment losses.

Upon adoption of the revised FRS 117 at 1 January 2007, the carrying amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the prior year comparative has been reclassified accordingly.

### **3. Audit qualification**

The report of the auditors' on the Group's financial statements for the year ended 31 December 2006 was not subject to any qualification.

### **4. Seasonal or cyclical factors**

The Group's operations have not been affected by seasonal or cyclical factors.

**5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter because of their nature, size or incidence.

**6. Changes in estimates**

There was no material changes in financial estimates reported in prior interim periods that could materially affect the current interim period financial statements.

**7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter ended 31 March 2007.

**8. Dividend paid**

There were no dividends paid during the quarter ended 31 March 2007.

**9. Segment Reporting**

The Group's segmental report for the current quarter ended 31 March 2007 is as follows:

	<u>Transport &amp; Logistics</u> RM' 000	<u>Energy &amp; Utilities</u> RM' 000	<u>Engineering &amp; Construction</u> RM' 000	<u>Others</u> RM' 000	<u>Total</u> RM' 000
<b><u>Revenue</u></b>					
Total	286,563	373,336	93,218	5,810	758,927
Inter-segment	-	-	(249)	-	(249)
External	286,563	373,336	92,969	5,810	758,678

**Results**

Segment					
profit/(loss)	90,014	62,128	5,366	(4,924)	152,584
Interest income					5,057
Finance cost					(51,388)
Share of results of associated companies and jointly controlled entities	-	24,277	7,271	(134)	<u>31,414</u>
Profit before taxation					137,667
Taxation					<u>(3,482)</u>
Profit after taxation					<u>134,185</u>

The Group's segmental report for corresponding quarter ended 31 March 2006 is as follows:

	<u>Transport &amp; Logistics</u> RM'000	<u>Energy &amp; Utilities</u> RM'000	<u>Engineering &amp; Construction</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<b>Revenue</b>					
Total	133,719	334,066	43,738	8,639	520,162
Inter-segment	-	-	(12,143)	(13)	(12,156)
External	<u>133,719</u>	<u>334,066</u>	<u>31,595</u>	<u>8,626</u>	<u>508,006</u>

**Results**

Segment					
Profit/(loss)	48,757	45,877	6,034	(20,356)	80,312
Interest income					2,846
Finance cost					(41,266)
Share of results of associated companies and jointly controlled entities	-	24,385	8,982	2,270	<u>35,637</u>
Profit before taxation					77,529
Taxation					<u>(14,341)</u>
Profit after taxation					<u>63,188</u>



**10. Property, plant and equipment**

Certain group properties were revalued in the past. No subsequent revaluations were done.

**11. Events subsequent to the balance sheet date**

There were no material events subsequent to the end of current interim period except for the following:-

- a) On 30 April 2007, Malakoff Corporation Berhad (Formerly known as Nucleus Avenue (M) Bhd), a 51.0% owned subsidiary, has completed the acquisition of the entire assets and undertakings of Malakoff Berhad and assuming all its liabilities as disclosed in Note 22.
  
- b) During the month of April 2007, Anglo-Oriental Annuities Sdn Bhd, a wholly owned subsidiary, disposed off 5,230,000 ordinary shares of RM0.50 each in Sime Darby Berhad, on a progressive basis, representing 0.2% of the equity interest in Sime Darby Berhad for a total cash consideration of RM44.982 million resulting in a gain of RM34.1 million.

**12. Changes in composition of the Group**

During the current quarter, a 70.0% subsidiary, Recycle Energy Sdn Bhd ("RESB"), issued an additional 3,000,000 new ordinary shares of RM1.00 each to the other shareholder of RESB, Core Competencies Sdn Bhd fully subscribed in cash. Following the issuance, the Groups' effective interest in RESB is diluted to 63.0%.

The provisional fair value of net assets deemed disposed:

	<u>As at date of</u> <u>deemed</u> <u>disposal</u> <u>RM'000</u>
Current assets	3,000
Non-current liabilities	(1,897)
Group share of net assets	<u>1,103</u>
Gain on deemed disposal	(629)
Goodwill realised on deemed disposal	<u>(474)</u>
	<u>-</u>
Net cash inflow on issuance of shares in a subsidiary	<u>3,000</u>

**13. Changes in contingent liabilities or contingent assets**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 31 December 2006 as disclosed in the financial statements of the Group for the financial year ended 31 December 2006, except for the following:

## a) Bank guarantees issued to third parties:

	31.03.07	31.12.06
	RM million	RM million
Company	53.7	50.0
Subsidiaries	481.5	45.8
	<u>535.2</u>	<u>95.8</u>

Bank guarantees issued to customers and utilities suppliers were mainly performance bonds, security deposits and payment guarantees.

**14. Capital commitments**

Capital commitments for the Group not provided for in the financial statements are as follows:

	31.03.07
	RM million
Property, plant and equipment:	
Authorised but not contracted for	221.6
Contracted but not provided for in the financial statements	306.1
	<u>527.7</u>

## **Additional information required by the Bursa Securities Listing Requirements**

### **15. Review of performance**

The Group's profit before tax for the quarter ended 31 March 2007 was higher by RM60.1 million compared to the corresponding quarter ended 31 March 2006. These are mainly due to consolidation of Johor Port Berhad's results and improved contribution from transport and logistics, and energy and utilities divisions.

### **16. Variation of results against preceding quarter**

The Group recorded a profit before tax of RM137.7 million for the current quarter compared to RM124.3 million in the preceding quarter. The increase of RM13.4 million was mainly due to improved contribution from engineering and construction division and recognition of impairment loss on goodwill in the preceding quarter.

### **17. Current prospects**

The Board expects the Group's financial results for the current financial year ending 31 December 2007 to be better than those achieved in financial year ended 31 December 2006, mainly due to consolidation of Johor Port Berhad's full year results and contribution from Malakoff Corporation Berhad (formerly known as Nucleus Avenue (M) Berhad).

**18. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee during the reporting period.

**19. Tax expense**

	3 months quarter ended 31.03.07 RM'000	3 months quarter ended 31.03.06 RM'000	Cumulative 3 months ended 31.03.07 RM'000	Cumulative 3 months ended 31.03.06 RM'000
Current tax expense				
- current	(13,201)	(11,728)	(13,201)	(11,728)
- prior year	(327)	-	(327)	-
Deferred tax expense				
- current	(3,681)	(2,613)	(3,681)	(2,613)
- prior year	13,727	-	13,727	-
	<u>(3,482)</u>	<u>(14,341)</u>	<u>(3,482)</u>	<u>(14,341)</u>

The Group's effective tax rate for the current quarter is lower than the statutory income tax rate in Malaysia mainly due to utilisation of investment tax allowances and capital allowances in certain subsidiaries of the Group.

**20. Unquoted investments and landed properties**

There were no sales of unquoted investments and landed properties during the current quarter.

**21. Quoted investments**

a) There were no purchases nor disposals of quoted securities during the current quarter.

b) Investments in quoted shares as at 31 March 2007:

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted in Malaysia	85,760	85,276	332,856
Quoted outside Malaysia	13,172	-	3,338
Total quoted investments	<u>98,932</u>	<u>85,276</u>	<u>336,194</u>

## 22. Status of corporate proposals announced

- a) Proposal to acquire the entire assets and undertakings of Malakoff Berhad ("Malakoff") and assuming all its liabilities ("Proposed Acquisition")

The Company had on 30 June 2006 announced that the Company and its wholly owned subsidiary, Malakoff Corporation Berhad ("MCB") (formerly known as Nucleus Avenue (M) Bhd) had signed the formal agreements in relation to the Proposed Acquisition.

The Proposed Acquisition was completed on 30 April 2007 and MCB is now a 51% owned subsidiary of MMC.

**23. Borrowings**

	<u>31.03.07</u>	<u>31.12.06</u>
	RM'000	RM'000
Current		
- secured	448,776	491,822
- unsecured	<u>90,547</u>	<u>75,823</u>
	<u>539,323</u>	<u>567,645</u>
Non-current		
- Long-term loans - secured	3,179,511	3,205,693
- BBA Islamic Debt Securities	<u>172,251</u>	<u>171,301</u>
	<u>3,351,762</u>	<u>3,376,994</u>
- Redeemable convertible subordinated loans - unsecured	<u>158,355</u>	<u>158,355</u>
- Redeemable preference share	<u>94,046</u>	<u>94,046</u>

**24. Off Balance Sheet financial instruments**

The position of forward foreign exchange contracts of Tepat Teknik Sdn Bhd (a 70% owned subsidiary of MMC Engineering Group Berhad) as at 16 May 2007, is as follows:

	<u>Contracted amount '000</u>	<u>RM'000 equivalent</u>
USD	1,882	6,575

The related accounting policies for the off-balance-sheet financial instruments are as disclosed in the financial statements for the financial year ended 31 December 2006.

**25. Changes in material litigation**

There were no substantial changes in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries since the last audited balance sheet date as at 31 December 2006.

**26. Dividend Payable**

No dividends have been recommended by the Directors for the current financial period ended 31 March 2007. No dividends were declared by the Directors for the corresponding financial period ended 31 March 2006.

**27. Earnings per ordinary share**

## Basic/Diluted Earnings Per Ordinary Share

	3 months quarter ended <u>31.03.07</u>	3 months quarter ended <u>31.03.06</u>	Cumulative 3 months quarter ended <u>31.03.07</u>	Cumulative 3 months quarter ended <u>31.03.06</u>
Profit for the year attributable to shareholders of the Company	91,918	40,746	91,918	40,746
Weighted average number of ordinary shares in issue ('000)	1,522,529	1,522,529	1,522,529	1,522,529
Basic/diluted earnings per ordinary share (sen)	6.04	2.68	6.04	2.68

The Redeemable Convertible Subordinated Loans issued by a subsidiary company as disclosed in Note 23 do not have any dilutive effect on the Group's earnings per share.



**28. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors as of 23 May 2007.

By Order of the Board

Azlan Shahrin (L.S. No.0009026)

Secretary

Kuala Lumpur

23 May 2007.