

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

ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2006 (4TH QUARTER)

CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED AS AT 31.12.2006 RM'000	AUDITED AS AT 31.12.2005 RM'000
Property, plant and equipment	269,630	264,127
Prepaid lease payments	30,333	31,007
Investment property	635	654
Investment in associates	120,790	110,094
Other investments	67	223
Development costs	6,329	6,712
Other intangible assets	1,103	1,354
Deferred tax assets	203	2,070
Long term advance due from an associate	10,000	10,000
	439,090	426,241
Current Assets		
Inventories	115,426	95,098
Land held for property development	6,775	-
Investment in joint ventures	-	-
Amount due from contract customers	392,387	314,245
Trade and other receivables	345,964	267,579
Tax recoverable	4,759	10,837
Cash and cash equivalents	99,530	105,250
	964,841	793,009
Current Liabilities		
Amount due to contract customers	114,663	89,000
Trade and other payables	346,171	248,540
Bills payables	258,763	314,183
Short term borrowings	174,317	165,476
Taxation	7,300	4,562
Provisions	8,265	15,463
	909,479	837,224
Net Current Assets / (Liabilities)	55,362	(44,215)
	494,452	382,026
Capital and Reserves		
Share capital	149,619	144,568
Reserves	171,843	142,671
Total Equity Attributable to Shareholders of the Company	321,462	287,239
Minority shareholders' interests	57,731	12,078
Total Equity	379,193	299,317
Advances from minority shareholders	17,068	18,206
Long term borrowings	87,095	56,563
Deferred tax liabilities	11,096	7,940
	494,452	382,026
Net Assets Per Share Attributable to Shareholders of the Company (RM)	2.15	1.99

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Report for the year ended 31 December 2005**

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ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2006 (4TH QUARTER)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.12.2006 RM'000	31.12.2005 RM'000	31.12.2006 RM'000	31.12.2005 RM'000
Revenue		331,815	247,411	1,105,566	970,740
Cost of sales and operating expenses		(331,150)	(229,692)	(1,071,307)	(942,353)
Other income		3,404	9,717	16,357	21,227
Operating profit		4,069	27,436	50,616	49,614
Interest expense		(2,904)	(2,439)	(11,569)	(13,653)
Interest income		286	(1,711)	2,538	2,618
Share of profit after tax and minority interest of associates		9,264	5,360	28,147	22,288
Share of profit/(loss) after tax of joint ventures		2,366	(5,229)	4,065	(5,570)
Profit before taxation and exceptional items		13,081	23,417	73,797	55,297
Exceptional items	5	-	(9,560)	(8,766)	(9,560)
Profit before taxation		13,081	13,857	65,031	45,737
Tax expense	17	(4,539)	(589)	(17,043)	(2,691)
Profit for the period/year		8,542	13,268	47,988	43,046
Attributable to:					
Shareholders of the Company		8,760	10,749	33,800	26,061
Minority interests		(218)	2,519	14,188	16,985
Profit for the period/year		8,542	13,268	47,988	43,046
Earnings per share					
Basic (Sen)	25	5.85	7.44	22.91	18.03
Diluted (Sen)	25	5.73	N/A	22.43	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005

MUHIBBAH ENGINEERING (M) BHD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006 (4TH QUARTER)

	← Attributable to Shareholders of the Company →				Total Equity Attributable to Shareholders of the Company RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Reserve Attributable to Capital RM'000	Reserve Attributable to Revenue RM'000	Retained Profit RM'000			
As at 1 January 2005	144,568	34,702	15,831	74,859	269,960	11,528	281,488
Change in accounting policy - Effect of adopting FRS 3	-	(2,447)	(35)	2,482	-	-	-
Restated balance	144,568	32,255	15,796	77,341	269,960	11,528	281,488
Exchange differences on translation of the financial statements of foreign entities	-	-	(4,445)	-	(4,445)	-	(4,445)
Incorporation of subsidiary	-	-	-	-	-	370	370
Net profit for the year	-	-	-	26,061	26,061	16,985	43,046
Dividends paid	-	-	-	(4,337)	(4,337)	(16,805)	(21,142)
As at 31 December 2005/1 January 2006	144,568	32,255	11,351	99,065	287,239	12,078	299,317
i) Issuance of shares pursuant to ESOS	5,051	-	-	-	5,051	-	5,051
ii) Acquisition of remaining equity interest of a subsidiary from minority interest	-	-	-	-	-	(688)	(688)
iii) Impact on dilution arising from Initial Public Offer of FFB	-	-	-	-	-	9,866	9,866
iv) Minority interests of FFB pursuant to Initial Public Offer	-	-	-	-	-	35,338	35,338
v) Impact of ESOS - under FRS 2 (Note 2c)	-	1,842	-	-	1,842	-	1,842
vi) Exchange differences on translation of the financial statements of foreign entities	-	-	(485)	-	(485)	971	486
vii) Net profit for the period	-	-	-	33,800	33,800	14,188	47,988
viii) Dividends paid	-	-	-	(5,985)	(5,985)	(14,022)	(20,007)
As at 31 December 2006	149,619	34,097	10,866	126,880	321,462	57,731	379,193

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended
31 December 2005

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (4TH QUARTER)

	Unaudited Quarter YTD 31.12.2006 RM'000	Cumulative Quarter YTD 31.12.2005 RM'000
Net cash generated from/(used in) operating activities	7,838	22,874
Net cash generated from/(used in) investing activities	(19,107)	(22,971)
Net cash generated from/(used in) financing activities	(22,882)	40,081
Net increase/(decrease) in cash and cash equivalents	(34,151)	39,984
Cash and cash equivalents at 1 January	85,023	44,878
Currency translation differences	2,372	161
Cash and cash equivalents at 31 December	53,244	85,023

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

	31.12.2006 RM'000	31.12.2005 RM'000
Fixed deposits with licensed banks	43,664	42,507
Cash and bank balances	55,866	62,743
Cash and cash equivalents per balance sheet	99,530	105,250
Bank overdrafts	(46,286)	(20,227)
	53,244	85,023

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual
Financial Report for the year ended 31 December 2005**

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ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2006 (4TH QUARTER)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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, including compliance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2005 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2006 audited financial statements.

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 2005.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2005.

2. CHANGES IN ACCOUNTING POLICIES

- 2.(a)** The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") as per the requirement of Malaysian Accounting Standards Board for financial period beginning 1 January 2006:

FRS 2	Share-based payment
FRS 101	Presentation of financial statements
FRS 102	Inventories
FRS 108	Accounting policies, changes in estimates and errors
FRS 110	Events after the balance sheet date
FRS 116	Property, plant and equipment
FRS 117	Leases
FRS 121	The effects of changes in foreign exchange rates
FRS 124	Related Party Disclosures
FRS 127	Consolidated and separate financial statements
FRS 128	Investments in associates
FRS 131	Investments in joint ventures
FRS 132	Financial instruments: disclosure and presentation
FRS 133	Earnings per share
FRS 140	Investment property

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The following FRS effective for financial period beginning 1 January 2006, were adopted by the Group during the financial year ended 31 December 2005:

FRS 3	Business combinations
FRS 136	Impairment of assets
FRS 138	Intangible assets

The adoption of the abovementioned FRS during the financial period does not have significant impact on the Group.

The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are summarised below:

2.(b) FRS 101: Presentation of Financial Statements and FRS 127 : Consolidated and Separate Financial Statements

The adoption of the revised FRS 101 and FRS 127 have amended the **presentation format** on minority interests, share of results after tax and minority interest of associates and other disclosures, in the consolidated financial statements as follows:

Accounting presentation in prior years:

- i) Minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets.
- ii) Minority interests in the results of the Group for the period / year were also separately presented in the consolidated income statement as a deduction before arriving at the net profit attributable to shareholders.
- iii) Share of results of associates in the consolidated income statement were shown as share of gross results of the associates before tax and minority interests.
- iv) Minority interests in the consolidated income statement included minority interest share of results of associates.
- v) Tax expense in the consolidated income statement included tax expense arising from share of results of associates.

Accounting presentation with effect from 1 January 2006, complied with FRS 101 and FRS 127:

- i) Minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent.
- ii) Minority interests in the results of the Group for the period / year are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.
- iii) Share of results of associates in the consolidated income statement are shown as share of net results after tax and minority interest of associates.
- iv) Minority interests in the consolidated income statement excluded minority interest share of results of associates.
- v) Tax expense in the consolidated income statement excluded tax expense arising from share of results of associates.

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The summary presentation of minority interests, investment in associates, share of net results of associates and tax expense for the comparative period/year has been restated accordingly, as per the requirement of FRS 101 and FRS127, as follows:

	As Restated 31.12.2005 RM'000	As Previously Stated 31.12.2005 RM'000	Difference RM'000
1) Consolidated Balance Sheet			
i) Investment in associates	110,094	121,721	(11,627)
ii) Minority interests	12,078	23,705	(11,627)
2) Consolidated Statement of Changes in Equity			
i) Minority interests as at 1 January 2005	11,528	17,740	(6,212)
ii) Minority interests as at 31 December 2005	12,078	23,705	(11,627)
3) Consolidated Income Statement			
i) Share of profit of associates	22,288	31,958	(9,670)
ii) Tax expense	(2,691)	(6,946)	4,255
iii) Minority interests	(16,985)	(22,400)	5,415

2.(c) FRS 2: Share-Based Payment

Muhibbah Engineering (M) Bhd ("MEB" or the "Company") operates an equity-settled, share-based compensation plan for the employees of MEB Group, known as Muhibbah Engineering (M) Bhd Employees' Share Option Scheme ("MEB ESOS"). Besides, Favelle Favco Berhad ("FFB"), a 58.33% listed subsidiary of MEB, also operates an equity-settled, share-based compensation plan for the employees of FFB Group, known as Favelle Favco Berhad Employees' Share Option Scheme ("FFB ESOS").

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Prior to 1 January 2006, no compensation expense was recognised in income statement for share options granted. With the adoption of FRS 2 in 2006 under the requirement of Malaysian Accounting Standards Board, the compensation expense relating to share options is recognised in the income statement over the vesting periods of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share option is computed using "Black Scholes" model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to equity - reserve attributable to capital, over the remaining vesting period.

The financial impact to MEB Group arising from the adoption of FRS 2 is as follows:

	Period Ended	
	31.12.2006	31.12.2005
	RM'000	RM'000
Decrease in net profit attributable to shareholders of the Company for the year 2006 (transferred to reserve attributable to capital in the consolidated balance sheet)	1,842	-

2.(d) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment less accumulated depreciation and impairment losses. The reclassification of the leasehold land as prepaid lease payments has been accounted for retrospectively. Certain comparative amounts as at 31 December 2006 have been restated.

3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the preceding year ended 31 December 2005 were not subject to any qualification.

4. EXPLANATORY COMMENT ON SEASONALITY OR CYCLICALITY

The Group does not experience material seasonality or cyclicity activity fluctuation on quarterly basis except for the Concession Division whereby the international tourists arrival to visit Angkor Wat in Cambodia usually increased in the second half of the year in conjunction with summer holidays and year end holidays.

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5. EXCEPTIONAL/UNUSUAL ITEMS

With the approval from the Securities Commission on 24 March 2006 and the approval from shareholders of Muhibbah Engineering (M) Bhd on 19 May 2006, the Cranes Division of the Group - Favelle Favco Berhad ("FFB"), was officially listed on the Second Board of Bursa Malaysia Securities Berhad on 15 August 2006.

In order to reward the shareholders and to promote employee equity participation, FFB offered 70 million ordinary shares at RM0.55 per ordinary share mainly to the shareholders and employees of the Group, in conjunction with the subject listing. The net assets per ordinary share of FFB at the date of listing was RM0.675 per ordinary share.

MEB holds 58.33% (2005 : 100%) equity interest in FFB subsequent to the listing of FFB. The one-off exceptional impact on dilution arising from the listing of FFB amounted to RM8,766,000, reflected in the consolidated income statement of MEB Group during the financial year ended 31 December 2006.

6. CHANGE IN ESTIMATES

There are no material changes in estimates of amounts that have material effect in the current quarter.

7. DEBT AND EQUITY SECURITIES

a) Former Employees' Share Option Scheme ("Former Scheme")

The Former Scheme has expired on 2 August 2006.

Establishment of a New Employees' Share Option Scheme ("New Scheme")

- b) With the approval obtained from Bursa Malaysia Securities Berhad on 30 May 2006 and the shareholders of MEB vide an Extraordinary General Meeting held on 26 June 2006, Muhibbah Engineering (M) Bhd ("MEB") announced an establishment of a New Scheme of MEB for the executive directors and eligible employees of MEB and its subsidiary companies, after the expiry of the former scheme.

The former scheme which was implemented on 3 August 2001 has expired on 2 August 2006. The New Scheme is implemented on 3 August 2006 and will expire on 2 August 2011.

Other than as disclosed above, there were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter.

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8. SEGMENTAL INFORMATION

Construction RM'000	Cranes RM'000	Marine- Ship Repair and Ship Building RM'000	Concess- ions RM'000	Conso- lidated RM'000
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BUSINESS SEGMENTS

Revenue from external customers	615,738	367,809	122,019	-	1,105,566
Operating profit	19,461	17,626	13,536	(7)	50,616
Interest expense	(1,537)	(7,535)	(1,868)	(629)	(11,569)
Interest income	2,121	417	-	-	2,538
Share of profit/(loss) after tax and minority interest of associates	1,142	(196)	-	27,201	28,147
Share of profit after tax of joint ventures	4,065	-	-	-	4,065
Profit before taxation and exceptional items	25,252	10,312	11,668	26,565	73,797

Segment assets	640,456	421,475	174,239	46,971	1,283,141
Investments in associates	25,697	116	-	94,977	120,790
Investments in joint ventures	-	-	-	-	-
Total assets	666,153	421,591	174,239	141,948	1,403,931
Total liabilities	(557,959)	(311,685)	(118,756)	(36,338)	(1,024,738)
Total equity	108,194	109,906	55,483	105,610	379,193
Profit before taxation and exceptional items on total equity	23%	9%	21%	25%	19%

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Inside Malaysia RM'000	Outside Malaysia RM'000	Conso- lidated RM'000
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GEOGRAPHICAL SEGMENTS

Revenue from external customers	381,879	723,687	1,105,566
Operating profit	21,463	29,153	50,616
Interest expense	(11,445)	(124)	(11,569)
Interest income	2,050	488	2,538
Share of profit after tax and minority interest of associates	12,123	16,024	28,147
Share of profit/(loss) after tax of joint ventures	4,141	(76)	4,065
Profit before taxation and exceptional items	28,332	45,465	73,797

Segment assets	807,345	475,796	1,283,141
Investments in associates	40,023	80,767	120,790
Investments in joint ventures	-	-	-
Total assets	847,368	556,563	1,403,931
Total liabilities	(733,050)	(291,688)	(1,024,738)
Total equity	114,318	264,875	379,193
Profit before taxation and exceptional items on total equity	25%	17%	19%

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9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment of the Group and the Company are stated at cost less accumulated depreciation and accumulated impairment losses, if any. None of the property, plant and equipment are stated at valuation.

10. MATERIAL SUBSEQUENT EVENT

There is no material subsequent event from the end of the quarter to 21 February 2007.

11. MATERIAL CHANGES IN THE GROUP'S COMPOSITION

Favelle Favco Berhad was successfully listed on the Second Board of Bursa Malaysia Securities Berhad on 15 August 2006.

Subsequent to the listing, MEB holds 58.33% equity interest in FFB Group.

Other than as disclosed above, there were no material changes in the Group's composition during the year.

12. CONTINGENT LIABILITIES/ASSETS AS AT 31 DECEMBER 2006

	RM'000
Corporate guarantee for credit facilities granted to subsidiary companies	<u>210,286</u>

There were no contingent assets as at 31 December 2006.

13. COMPARISON WITH PRECEDING QUARTER RESULT (Q4 2006 vs Q3 2006)

The consolidated profit before tax is lower by 35%, from RM20.2 million for the third quarter of year 2006 to RM13.1 million in the fourth quarter of year 2006.

The lower consolidated profit before taxation is basically due to the timing difference in the recognition of construction revenue from Construction Division. The Group has successfully completed the oil jetty and terminal for Horizon Oil Terminal at Jurong Island, Singapore in the third quarter of the year. The Yemen LNG jetty project which is the major project of the Group, secured on 15 September 2006, is under detailed engineering design and planning stage during the fourth quarter of year 2006 and is expected to contribute positively in year 2007.

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14. REVIEW OF THE GROUP PERFORMANCE (YTD Q4 2006 vs YTD Q4 2005)

The Group reported a consolidated revenue of RM1.1 billion for the year ended 31 December 2006, represents an increase of 14% as compared to RM970.7 million consolidated revenue for the year ended 31 December 2005.

The Group reported a consolidated profit before tax and exceptional items of RM73.8 million for the year ended 31 December 2006, represents an increase of 33% as compared to RM55.3 million consolidated profit before tax and exceptional items for the year ended 31 December 2005.

The Group reported a consolidated net profit attributable to shareholders of the Company of RM33.8 million for the year ended 31 December 2006, represents an increase of 30% as compared to RM26.1 million consolidated net profit attributable to shareholders of the Company for the year ended 31 December 2005.

The higher consolidated net profit attributable to the shareholders of the Company is attributed mainly from the improvement in results of Cranes, Shipyard and Concession divisions.

In respect of Concession Division, the international airport concession in Cambodia namely, Phnom Penh International Airport and Siem Reap International Airport seen a continuous increase in the revenue and profit due to the steady growth of international passenger traffic in these international airports during the year end holidays. In addition, the road maintenance concession for 5000 kilometres federal roads in the central region of Peninsular Malaysia also marked an increase in both revenue and profit attributed from improvement in road maintenance concession margin.

15. GROUP'S CURRENT YEAR PROSPECT

As at 21 February 2007, the total outstanding secured order book in hand of the Group is RM1.41 billion, comprises of RM851 million from Construction Division, RM368 million from Cranes Division and RM191 million from Shipyard Division.

The growth in Group order book in terms of LNG jetty for Construction Division, offshore pedestal cranes for the International Cranes Division and anchor handling tug boats and supply vessels for the Shipyard Division are mainly spurred from the capital development from global oil and gas industry especially from the global offshore oil and gas exploration activities.

In view of the present secured order book in hand, positive economy outlook and oil and gas industry development in the Asia Pacific region, the Group is geared for further improvement in performance for all divisions in year 2007.

16. PROFIT FORECAST

Favelle Favco Berhad ("Favco"), the wholly owned subsidiary of the Company submitted a profit forecast of Favelle Favco Berhad and its subsidiaries for the financial year ended 31 December 2006 to the Securities Commission in conjunction with the approved listing on the Second Board of Bursa Malaysia Securities Berhad, as mentioned in Note 20 of this Interim Financial Statements.

Favco has successfully surpassed the profit forecast for the financial year ended 31 December 2006 and the Board of Directors intends to make application to the Securities Commission for the transfer of existing listing status of Favco from the Second Board to Main Board of Bursa Malaysia Securities Berhad in year 2007.

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17. TAX EXPENSE

Current tax expense
 Malaysia - current
 Overseas - current

Current Quarter 31.12.2006 RM'000	Cumulative Qtr To-date 31.12.2006 RM'000
(2,326)	(14,253)
(2,213)	(2,790)
(4,539)	(17,043)

The effective tax rate of the Group for the year ended 31 December 2006 is lower than the local statutory tax rate mainly due to tax exempt income from pioneer status and investment tax allowances of major subsidiaries granted by the relevant authorities.

The effective tax rate of the Group for the current quarter ended 31 December 2006 is higher than the local statutory tax rate mainly due to additional provision for taxation for previous quarters of year 2006.

18. PROFIT ON SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES

There is no profit on sale of investment and/or properties during the period under review.

19. SALE/PURCHASE OF QUOTED SECURITIES

Quoted share - at cost
 Less: Allowance for diminution in value
 Quoted share- at carrying value

 Market value of quoted shares

Unaudited 31.12.2006 RM'000
510
(443)
67
65

20. CORPORATE PROPOSAL

On 15 August 2006, Favelle Favco Berhad, the international Cranes Division of the Group was officially listed on the Second Board of Bursa Malaysia Securities Berhad.

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21. GROUP BORROWINGS AND DEBT SECURITIES

		Foreign currency		
		Currency	Amount	RM'000
a) Short term borrowings				
	Secured	RM	12,889	12,889
		USD	492	1,738
		DKK	8,148	5,072
		Sub-total		19,699
	Unsecured	RM	142,023	142,023
		USD	3,159	11,159
		AUD	217	606
		Sub-total		153,788
b) Hire purchase and finance lease		RM	469	469
		USD	35	124
		AUD	85	237
		Sub-total		830
Total short term borrowings				174,317
a) Long term borrowings				
	Secured	RM	69,594	69,594
		USD	1,879	6,637
		DKK	2,159	1,344
		Sub-total		77,575
	Unsecured	RM	8,700	8,700
		Sub-total		8,700
b) Hire purchase and finance lease		RM	714	714
		AUD	38	106
		Sub-total		820
Total long term borrowings				87,095
Total borrowings				261,412

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22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The outstanding foreign exchange forward contracts of the Group with maturity date within 1 year, as at 21 February 2007 are as follows:

← Principal Foreign Currency → Sell	Amount '000	Forward Contracted Exchange Rate	Equivalent Currency '000
US Dollar	USD 36,332	3.4900 - 3.6653	RM 128,077
US Dollar	USD 5,500	0.7444 - 0.7615	AUD 4,146
	<u>USD 41,832</u>		

Transactions in foreign currencies during the period are recorded in Ringgit Malaysia at rates ruling on transaction dates or at contracted rates where applicable. All gain and losses are dealt with through the income statement upon realisation. There is minimal credit and market risk because the contracts are hedged with reputable banks.

23. LITIGATIONS

There are no material outstanding litigations that have material effect to the Group as at 21 February 2007.

24. DIVIDENDS

The directors recommend a first and final dividend of 7.5% less 27% taxation (2005 : tax exempt dividend of 4%) per share subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM8.192 million (2005: RM5.985 million).

The directors did not declare any interim dividend for the financial quarter under review.

A final tax-exempt dividend of 4% per ordinary share of RM1 each totalling 5.985 million in respect of the year ended 31 December 2005 was paid on 15 September 2006.

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25. EARNING PER SHARE ("EPS")

a) **Basic EPS**

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net profit for the period (RM'000)	8,760	10,749	33,800	26,061
Weighted average number of ordinary shares in issue ('000)	149,619	144,568	147,510	144,568
Basic EPS (Sen)	5.85	7.44	22.91	18.03

b) **Diluted EPS**

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, ie share options granted to employees.

	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net profit for the period (RM'000)	8,760	10,749	33,800	26,061
Weighted average number of ordinary shares in issue ('000)	149,619	N/A	147,510	N/A
Effect of dilution ('000)	3,183	N/A	3,183	N/A
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	152,802	N/A	150,693	N/A
Diluted EPS (Sen)	5.73	N/A	22.43	N/A

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26. 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 27 February 2007.

ON BEHALF OF THE BOARD

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TUAN HAJI MOHAMED TAIB BIN IBRAHIM
Chairman
Klang
28 February 2007