

**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 2007 (3RD QUARTER)**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED AS AT 30.9.2007 RM'000</b>	<b>AUDITED AS AT 31.12.2006 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	<b>305,133</b>	275,840
Prepaid lease payments	<b>33,301</b>	33,706
Investment properties	<b>591</b>	635
Investments in associates	<b>125,989</b>	120,966
Other investments	<b>67</b>	67
Development costs	<b>3,814</b>	5,561
Other intangible assets	<b>914</b>	1,103
Deferred tax assets	<b>204</b>	204
Long term advance due from an associate	<b>10,000</b>	10,000
Land held for development	<b>6,547</b>	6,775
<b>Total non-current assets</b>	<b>486,560</b>	454,857
Prepaid lease payments	<b>446</b>	446
Investments in joint ventures	<b>1,492</b>	234
Receivables, deposits and prepayments	<b>487,642</b>	339,051
Contract work-in-progress	<b>460,684</b>	354,795
Inventories	<b>171,466</b>	124,938
Current tax assets	<b>6,712</b>	5,069
Cash and cash equivalents	<b>168,432</b>	99,530
<b>Total current assets</b>	<b>1,296,874</b>	924,063
<b>Total assets</b>	<b>1,783,434</b>	1,378,920

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**CONDENSED CONSOLIDATED BALANCE SHEETS (continued)**

	<b>UNAUDITED AS AT 30.9.2007 RM'000</b>	<b>AUDITED AS AT 31.12.2006 RM'000</b>
<b>Equity</b>		
Share capital	153,498	149,618
Reserves	49,668	44,939
Retained earnings	169,329	126,880
Less: Treasury shares	(4,669)	-
<b>Total equity attributable to shareholders of the Company</b>	<b>367,826</b>	<b>321,437</b>
<b>Minority interest</b>	<b>67,938</b>	<b>57,575</b>
<b>Total Equity</b>	<b>435,764</b>	<b>379,012</b>
<b>Liabilities</b>		
Advances from minority shareholders	17,141	17,700
Loans and borrowings	100,502	86,581
Deferred tax liabilities	16,650	11,664
<b>Total non-current liabilities</b>	<b>134,293</b>	<b>115,945</b>
Payables and accruals	419,716	322,436
Amount due to contract customers	218,058	114,322
Bills payables	385,122	252,763
Loans and borrowings	175,768	180,829
Tax liabilities	6,636	6,702
Provisions	8,077	6,911
<b>Total current liabilities</b>	<b>1,213,377</b>	<b>883,963</b>
<b>Total liabilities</b>	<b>1,347,670</b>	<b>999,908</b>
<b>Total equity and liabilities</b>	<b>1,783,434</b>	<b>1,378,920</b>
<b>Net assets per share attributable to shareholders of the Company (RM)</b>	<b>2.41</b>	<b>2.15</b>

The Condensed Consolidated Balance Sheets should be read in conjunction with the  
Annual Financial Report for the year ended 31 December 2006

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE PERIOD ENDED 30 SEPTEMBER 2007 (3RD QUARTER)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		30.9.2007 RM'000	30.9.2006 RM'000	30.9.2007 RM'000	30.9.2006 RM'000
Revenue		403,267	258,346	1,003,443	773,750
Cost of sales and operating expenses		(387,396)	(245,100)	(958,831)	(740,156)
Other income		518	6,722	11,771	12,953
<b>Results from operating activities</b>		<b>16,389</b>	19,968	<b>56,383</b>	46,547
Interest income		929	1,060	2,148	2,252
Finance costs		(2,330)	(1,068)	(9,653)	(8,665)
<b>Operating profit</b>		<b>14,988</b>	19,960	<b>48,878</b>	40,134
Share of profit after tax and minority interest of equity accounted associates		4,372	8,987	18,995	18,883
Share of profit/(loss) after tax of joint ventures		2,253	21	1,258	1,699
<b>Profit before tax and exceptional items</b>		<b>21,613</b>	28,968	<b>69,131</b>	60,716
Exceptional items	5	-	(8,766)	-	(8,766)
<b>Profit before tax</b>		<b>21,613</b>	20,202	<b>69,131</b>	51,950
Tax expense	17	(176)	(9,298)	(8,716)	(12,504)
<b>Profit for the period</b>		<b>21,437</b>	10,904	<b>60,415</b>	39,446
<b>Attributable to:</b>					
Shareholders of the Company		18,186	4,203	50,806	25,040
Minority interest		3,251	6,701	9,609	14,406
<b>Profit for the period</b>		<b>21,437</b>	10,904	<b>60,415</b>	39,446
<b>Earnings per ordinary share</b>					
Basic (Sen)	25	12.06	2.81	33.87	17.06
Diluted (Sen)	25	11.44	2.80	32.11	16.98

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006



**MUHIBBAH ENGINEERING (M) BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2007 (3RD QUARTER)**

	←----- Attributable to shareholders of the Company -----→							
	←----- Non-distributable -----→			←----- Distributable -----→				
	Share capital RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained earnings RM'000	Treasury shares RM'000	Total equity attributable to shareholders of the Company RM'000	Minority interest RM'000	Total equity RM'000
<b>At 1 January 2007</b>	149,618	34,097	10,842	126,880	-	321,437	57,575	379,012
Issuance of shares	3,880	1,086	-	-	-	4,966	1,076	6,042
Share-based payments	-	4,511	-	-	-	4,511	258	4,769
Acquisition of minority interest	-	-	-	-	-	-	(13)	(13)
Dilution of interest of subsidiary arising from issuance of shares pursuant to ESOS	-	-	-	-	-	-	219	219
Shares repurchased	-	-	-	-	(4,669)	(4,669)	-	(4,669)
Exchange differences on translation of the financial statements of foreign entities	-	-	(868)	-	-	(868)	459	(409)
Dividends to shareholders	-	-	-	(8,357)	-	(8,357)	-	(8,357)
Dividends to minority interest	-	-	-	-	-	-	(1,245)	(1,245)
Profit for the period	-	-	-	50,806	-	50,806	9,609	60,415
<b>At 30 September 2007</b>	<u>153,498</u>	<u>39,694</u>	<u>9,974</u>	<u>169,329</u>	<u>(4,669)</u>	<u>367,826</u>	<u>67,938</u>	<u>435,764</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006

**MUHIBBAH ENGINEERING (M) BHD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2007 (3RD QUARTER)**

	<b>Unaudited Quarter YTD 30.9.2007 RM'000</b>	<b>Cumulative Quarter YTD 30.9.2006 RM'000</b>
Net cash generated from/(used in) operating activities	1,257	27,070
Net cash generated from/(used in) investing activities	(41,466)	(5,461)
Net cash generated from/(used in) financing activities	130,238	(44,131)
Net increase/(decrease) in cash and cash equivalents	90,029	(22,522)
Cash and cash equivalents at 1 January	53,245	85,023
Currency translation differences	1,292	2,716
Cash and cash equivalents at 30 September	<b>144,566</b>	<b>65,217</b>

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

	<b>30.9.2007 RM'000</b>	<b>30.9.2006 RM'000</b>
Cash and bank balances	72,800	61,806
Deposits placed with licensed banks	95,632	39,715
Cash and cash equivalents per balance sheet	168,432	101,521
Bank overdrafts	(23,866)	(36,304)
	<b>144,566</b>	<b>65,217</b>

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual  
Financial Report for the year ended 31 December 2006**

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP**  
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**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 2006 audited financial statements, except for the adoption of the new/revised FRSs as mentioned in Note 2 below.

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

**2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following Financial Reporting Standards ("FRS") as per the requirement of Malaysian Accounting Standards Board for financial period beginning 1 January 2007:

FRS 124	Related Party Disclosures
Amendment to FRS 119 <sup>2004</sup>	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

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

The following FRSs were adopted by the Group during the financial year ended 31 December 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 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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**2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

The following FRSs 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

**3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the Company for the preceding year ended 31 December 2006 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 increases in the second half of the year in conjunction with summer and year end holidays.

**5. EXCEPTIONAL/UNUSUAL ITEMS**

There are no exceptional/unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

**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**

During the current quarter ended 30 September 2007, a total of 3,880,000 new ordinary shares of RM1 each was issued at RM1.28 each pursuant to the exercise of Employees' Share Option Scheme of Muhibbah Engineering (M) Bhd.

On 3 August 2007, an additional 257,000 share options of RM1 each were granted to the eligible employees of the Company under the Employees' Share Option Scheme of Muhibbah Engineering (M) Bhd. The exercise price of each option is RM9.00 being the weighted average closing price of the Company's ordinary shares immediately before the grant.

Other than as mentioned above, there are no issuance, cancellation, repurchase, resale or repayment of debts and equity securities for the current quarter.



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**8. SEGMENTAL INFORMATION**

	<b>Infrastructure Construction RM'000</b>	<b>Cranes RM'000</b>	<b>Marine- Ship Repair and Ship Building RM'000</b>	<b>Concess- ions RM'000</b>	<b>Conso- lidated RM'000</b>
<b>BUSINESS SEGMENTS</b>					
<b>Revenue from external customers</b>	<b>520,673</b>	<b>320,059</b>	<b>162,711</b>	<b>-</b>	<b>1,003,443</b>
<b>Operating profit/(loss)</b>	<b>13,927</b>	<b>20,156</b>	<b>22,308</b>	<b>(8)</b>	<b>56,383</b>
Interest income	1,181	967	-	-	2,148
Finance costs	(1,095)	(6,191)	(1,904)	(463)	(9,653)
Share of profit/(loss) after tax and minority interest of equity accounted associates	1,657	(31)	-	17,369	18,995
Share of profit after tax of joint ventures	1,258	-	-	-	1,258
<b>Profit before tax</b>	<b>16,928</b>	<b>14,901</b>	<b>20,404</b>	<b>16,898</b>	<b>69,131</b>
Segment assets	851,865	531,084	262,929	10,075	1,655,953
Investments in associates	24,969	85	-	100,935	125,989
Investments in joint ventures	1,492	-	-	-	1,492
<b>Total assets</b>	<b>878,326</b>	<b>531,169</b>	<b>262,929</b>	<b>111,010</b>	<b>1,783,434</b>
<b>Total liabilities</b>	<b>(748,150)</b>	<b>(400,133)</b>	<b>(192,901)</b>	<b>(6,486)</b>	<b>(1,347,670)</b>
<b>Total equity</b>	<b>130,176</b>	<b>131,036</b>	<b>70,028</b>	<b>104,524</b>	<b>435,764</b>
<b>Profit before tax on total equity (9 months)</b>	<b>13.0%</b>	<b>11.4%</b>	<b>29.1%</b>	<b>16.2%</b>	<b>15.9%</b>

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**8. SEGMENTAL INFORMATION (CONTINUED)**

	<b>Inside Malaysia RM'000</b>	<b>Outside Malaysia RM'000</b>	<b>Conso- lidated RM'000</b>
<b>GEOGRAPHICAL SEGMENTS</b>			
<b>Revenue from external customers</b>	<b>516,422</b>	<b>487,021</b>	<b>1,003,443</b>
<b>Operating profit</b>	<b>21,683</b>	<b>34,700</b>	<b>56,383</b>
Interest income	1,416	732	2,148
Finance costs	(9,466)	(187)	(9,653)
Share of profit after tax and minority interest of equity accounted associates	7,159	11,836	18,995
Share of profit after tax of joint ventures	1,258	-	1,258
<b>Profit before tax</b>	<b>22,050</b>	<b>47,081</b>	<b>69,131</b>
Segment assets	1,113,858	542,095	1,655,953
Investments in associates	36,384	89,605	125,989
Investments in joint ventures	1,583	(91)	1,492
<b>Total assets</b>	<b>1,151,825</b>	<b>631,609</b>	<b>1,783,434</b>
<b>Total liabilities</b>	<b>(987,054)</b>	<b>(360,616)</b>	<b>(1,347,670)</b>
<b>Total equity</b>	<b>164,771</b>	<b>270,993</b>	<b>435,764</b>
<b>Profit before tax on total equity (9 months)</b>	<b>13.4%</b>	<b>17.4%</b>	<b>15.9%</b>

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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 26 November 2007.

**11. MATERIAL CHANGES IN THE GROUP'S COMPOSITION**

There are no material changes in the Group's composition during the period.

**12. CONTINGENT LIABILITIES/ASSETS AS AT 30 SEPTEMBER 2007**

Corporate guarantee for credit facilities granted to subsidiary companies	<b>RM'000</b> <u>221,283</u>
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There are no contingent assets as at 30 September 2007.

**13. COMPARISON WITH PRECEDING QUARTER RESULTS (Q3 2007 vs Q2 2007)**

The Group generated a consolidated revenue of RM403.3 million for the quarter under review as compared to RM347.4 million consolidated revenue in the second quarter of year 2007, representing an increase of 16.1% in the consolidated revenue during the current quarter.

The increase in consolidated revenue of the Group generated for the quarter under review was contributed mainly from the Infrastructure Construction Division with the on-going physical construction work for the Yemen LNG Jetty project and also contributed from the Cranes and Shipyard Divisions.

The Group recorded a consolidated profit before tax of RM21.6 million for the quarter under review as compared to RM28.2 million in the second quarter of year 2007, representing a decrease of 23.4% in the consolidated profit before tax during the current quarter.

The decrease in the profit before tax of the Group generated for the quarter under review is mainly due to the provision for claim of variation order submitted on a completed project under the Infrastructure Construction Division but pending approval from client.

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**14. REVIEW OF GROUP PERFORMANCE (YTD Q3 2007 vs YTD Q3 2006)**

**a) Consolidated Revenue**

The Group generated a consolidated revenue of RM1.003 billion for the period ended 30 September 2007, as compared to RM773.8 million consolidated revenue for the period ended 30 September 2006, representing an increase of 29.6% in the consolidated revenue for the period ended 30 September 2007.

**b) Consolidated Profit Before Tax**

The Group recorded a consolidated profit before tax of RM69.1 million for the period ended 30 September 2007 as compared to RM51.9 million for the period ended 30 September 2006, representing an increase of 33.1% in the consolidated profit before tax.

**c) Consolidated Net Profit Attributable to the Shareholders of the Company**

The Group recorded a consolidated net profit attributable to the shareholders of the Company of RM50.8 million for the period ended 30 September 2007 as compared to RM25.0 million for the period ended 30 September 2006, representing an increase of 103.2% in the consolidated net profit attributable to the shareholders of the Company.

The increase in consolidated net profit attributable to the shareholders of the Company was contributed from the Infrastructure Construction Division, Cranes Division and Shipyard Division whereby these three divisions have generated improved operating margin from higher revenue with better contract pricing and operational efficiency during the period ended 30 September 2007.

The airport concession showed an improvement in the results as compared to the previous corresponding period. The road maintenance concession registered a lower profit due to additional construction work carried out in the previous corresponding period.

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

**a) Secured Order Book**

On 23 November 2007, the Infrastructure Construction Division further secured a contract worth RM1.23 billion for the construction of the catering facility of the New Doha International Airport in Qatar.

On 6 July 2007, the Infrastructure Construction Division has been awarded by SKVE Holdings Sdn Bhd for a contract worth RM1.1 billion for the construction of the South Klang Valley Expressway (SKVE). The construction of SKVE is from the Damansara Puchong Highway (LDP) interchange to Pulau Indah. In November 2007, SKVE Holdings Sdn Bhd has secured the required funding and the project will proceed in due course.

As at 26 November 2007, the total outstanding secured order book in hand of the Group is RM4.453 billion, comprises of RM3.427 billion from Infrastructure Construction Division, RM559 million from Cranes Division and RM467 million from Shipyard Division.

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**15. GROUP'S CURRENT YEAR PROSPECT (CONTINUED)**

**b) Current Year Prospect**

The growth in the Group's order book is mainly from the continuous capital investment in the global oil and gas industry, expansion of the aviation industry in the middle east region and related activities. The activation of Ninth Malaysia Plan has contributed to the growth in the order book of the Group.

In view of the positive economy outlook and continuous oil and gas industry development as well as mega infrastructure projects to be taken off in the Asia Pacific region , the Group is positioned to further enhance its market share and performance.

**16. PROFIT FORECAST**

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

**17. TAX EXPENSE**

	<b>Current Quarter 30.9.2007 RM'000</b>	<b>Cumulative Qtr To-date 30.9.2007 RM'000</b>
Corporate tax expense		
Malaysia - current	742	76
Overseas - current	421	(3,791)
	1,163	(3,715)
Deferred tax expense		
Malaysia - current	(3,304)	(5,975)
Overseas - current	1,965	974
	(1,339)	(5,001)
<b>Total tax expense</b>	<b>(176)</b>	<b>(8,716)</b>

The effective tax rate of the Group for the current quarter ended 30 September 2007 and nine months period ended 30 September 2007 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.

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

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

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**19. SALE/PURCHASE OF QUOTED SECURITIES**

	<b>Unaudited 30.9.2007 RM'000</b>
Quoted share - at cost	509
Less: Allowance for diminution in value	<u>(442)</u>
Quoted share - at carrying value	<u>67</u>
Market value of quoted shares	<u>110</u>

**20. CORPORATE PROPOSALS**

**(being a date not earlier than seven (7) days from the date of issue of the quarterly report)**

**Corporate Proposals**

**1a) Bonus Issue and Share Split**

- i) Proposed bonus issue of up to 38,605,650 new ordinary shares of RM1.00 each in MEB to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing ordinary shares of RM1.00 each in MEB;
- ii) Proposed share split involving the subdivision of every one (1) existing MEB share into two (2) ordinary shares of RM0.50 each in MEB; and
- iii) Proposed amendments to the memorandum of association and articles of association of MEB

**1b) Approvals Required**

- i) The Securities Commission for the proposed share split
- ii) The Bursa Malaysia Securities Berhad for the proposed share split and the listing of and quotation for the bonus shares and subdivided shares; and
- iii) The shareholders of MEB, for the proposals at an extraordinary general meeting to be convened

**1c) Status**

The approval for the proposed share split and the listing of and quotation for the MEB's subdivided shares to be issued under the proposed share split on the Main Board of Bursa Malaysia Securities Berhad had been granted by Securities Commission vide its letter dated on 3 August 2007.

The approval for the listing and quotation of the bonus shares and proposed share split had been granted by the Bursa Malaysia Securities Berhad vide its letter dated 23 August 2007.

The above proposals were passed by the shareholders at an Extraordinary General Meeting held on 19 September 2007.

These proposals were completed on 2 November 2007.

Other than as mentioned above, there is no corporate proposal announced which is not completed as at the date of this report.

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**21. GROUP BORROWINGS AND DEBT SECURITIES**

		<b>Foreign currency</b>	
		<b>Currency</b>	<b>Amount</b>
		<b>RM'000</b>	
a) Short term borrowings			
Secured		RM	16,156
		DKK	20,107
		Sub-total	29,185
	Unsecured	RM	136,458
		SGD	2,888
		USD	470
		AUD	376
		Sub-total	145,811
b) Hire purchase and finance lease		RM	626
		SGD	1
		AUD	48
		Sub-total	772
<b>Total short term borrowings</b>			<b>175,768</b>
a) Long term borrowings			
Secured		RM	90,281
		USD	1,409
		Sub-total	95,092
	Unsecured	RM	4,200
		Sub-total	4,200
b) Hire purchase and finance lease		RM	1,078
		SGD	43
		AUD	11
		Sub-total	1,210
<b>Total long term borrowings</b>			<b>100,502</b>
<b>Total borrowings</b>			<b>276,270</b>

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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 26 November 2007 are as follows:

← Principal Foreign Currency →	Amount '000	Forward Contracted Exchange Rate	Equivalent Currency '000
<b>Sell:</b>			
US Dollar	USD 268,596	3.3325 - 3.4749	RM 910,189
US Dollar	USD 6,629	1.1331 - 1.1621	AUD 7,596
Singapore Dollar	SGD 10,000	2.3130 - 2.3230	RM 23,150
<b>Buy:</b>			
EURO Dollar	EURO 3,278	4.5140 - 4.5405	RM 14,854
Sterling Pound	GBP 255	6.9130	RM 1,760

The difference between the above forward foreign exchange contracts and the prevailing exchange rate would be recognised in the income statement upon realisation of the related receipts or payments, or upon maturity, whichever is earlier. There is minimal credit and market risk because the contracts are hedged with reputable banks.

The valuation of financial instruments not recognised in the balance sheet reflects their current market rates at the balance sheet date.

**23. LITIGATIONS**

There are no material outstanding litigations that have material effect to the Group as at 26 November 2007.

**24. DIVIDENDS**

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

A first and final dividend of 7.5% less 27% tax per ordinary share of RM1 each totalling RM8.357 million in respect of the year ended 31 December 2006 was paid on 24 September 2007.



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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.

	<b>Current/Preceding Qtr Ended</b>		<b>Cumulative Qtr YTD</b>	
	<b>30.9.2007</b>	<b>30.9.2006</b>	<b>30.9.2007</b>	<b>30.9.2006</b>
Net profit for the period (RM'000)	18,186	4,203	50,806	25,040
Weighted average number of ordinary shares in issue ('000)	150,804	149,464	150,015	146,800
Basic EPS (Sen)	12.06	2.81	33.87	17.06

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.

	<b>Current/Preceding Qtr Ended</b>		<b>Cumulative Qtr YTD</b>	
	<b>30.9.2007</b>	<b>30.9.2006</b>	<b>30.9.2007</b>	<b>30.9.2006</b>
Net profit for the period (RM'000)	18,186	4,203	50,806	25,040
Weighted average number of ordinary shares in issue ('000)	150,804	149,464	150,015	146,800
Effect of dilution ('000)	8,202	691	8,203	691
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	159,006	150,155	158,218	147,491
Diluted EPS (Sen)	11.44	2.80	32.11	16.98

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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 29 November 2007.

**ON BEHALF OF THE BOARD**

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**TUAN HAJI MOHAMED TAIB BIN IBRAHIM**  
**Chairman**  
**Klang**  
**30 November 2007**