

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	UNAUDITED AS AT 31.3.2025 RM'000	AUDITED AS AT 31.12.2024 RM'000
Assets		
Property, plant and equipment	1,071,798	1,070,934
Investment in associates	914,368	832,010
Other non-current assets	144,171	158,690
Total non-current assets	2,130,337	2,061,634
Receivables, deposits and prepayments	394,166	417,085
Contract assets	332,968	294,525
Inventories	255,570	250,772
Current tax assets and other assets	10,319	9,596
Cash and bank balances	516,685	571,195
Total current assets	1,509,708	1,543,173
Total assets	3,640,045	3,604,807
Equity		
Share capital	428,468	428,320
Reserves	936,409	926,880
Total equity attributable to owners of the Company	1,364,877	1,355,200
Non-controlling interests	573,850	557,104
Total equity	1,938,727	1,912,304
Liabilities		
Payables and accruals	-	-
Loans and borrowings	161,623	173,975
Hire purchase and lease liabilities	13,965	15,076
Deferred tax liabilities	112,412	110,074
Total non-current liabilities	288,000	299,125
Provision, payables and accruals	336,003	386,329
Contract liabilities	416,840	361,645
Bills payables	329,808	369,955
Loans and borrowings	306,567	250,288
Hire purchase and lease liabilities	7,075	8,162
Tax liabilities and other liabilities	17,025	16,999
Total current liabilities	1,413,318	1,393,378
Total liabilities	1,701,318	1,692,503
Total equity and liabilities	3,640,045	3,604,807
Net assets per share attributable to owners of the Company (RM)	1.87	1.86

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2025 (1ST QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		31.3.2025 RM'000	31.3.2024 RM'000	31.3.2025 RM'000	31.3.2024 RM'000
Revenue (Note 1a)	A9	319,961	327,008	319,961	327,008
Cost of sales, other income and operating expenses		(308,025)	(306,511)	(308,025)	(306,511)
Results from operating activities		11,936	20,497	11,936	20,497
Interest income		3,130	1,991	3,130	1,991
Finance costs		(5,039)	(5,004)	(5,039)	(5,004)
Operating profit/(loss)	B5	10,027	17,484	10,027	17,484
Share of profit/(loss) of associates, net of tax		22,645	13,440	22,645	13,440
Profit/(Loss) before tax	B5	32,672	30,924	32,672	30,924
Tax expense	B6	(4,488)	(7,298)	(4,488)	(7,298)
Profit/(Loss) after tax for the period		28,184	23,626	28,184	23,626
Other comprehensive income					
Foreign currency translation differences for foreign operations		(2,325)	16,664	(2,325)	16,664
Movement in revaluation of property, plant equipment, net of tax		(28)	(9)	(28)	(9)
Other comprehensive income/(loss) for the period		(2,353)	16,655	(2,353)	16,655
Total comprehensive income/(loss) for the period		25,831	40,281	25,831	40,281
Profit/(Loss) attributable to:					
Owners of the Company		16,169	14,190	16,169	14,190
Non-controlling interests		12,015	9,436	12,015	9,436
Profit/(Loss) for the period		28,184	23,626	28,184	23,626
Total comprehensive income/(expense) attributable to:					
Owners of the Company		14,884	24,741	14,884	24,741
Non-controlling interests		10,947	15,540	10,947	15,540
Total comprehensive income/(expense) for the period		25,831	40,281	25,831	40,281
Earnings/(Loss) per ordinary share					
Basic (Sen)	B11	2.22	1.95	2.22	1.95
Diluted (Sen)	B11	2.13	1.86	2.13	1.86
Note (1a) - Proforma Revenue					
Revenue as reported above		319,961	327,008	319,961	327,008
Share of revenue of associates		111,342	86,860	111,342	86,860
Total revenue		431,303	413,868	431,303	413,868
Note The Group accounts for its investment in associates and joint venture using the equity method whereby the revenue of associates and joint venture projects are excluded from the Group's revenue in the Consolidated Statements of Comprehensive Income. This Note (1a) shows the pro forma revenue of the Group after including the Group's share of revenue of associates and joint venture projects.					

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2025 (1ST QUARTER)

(The figures have not been audited)

	Attributable to shareholders of the Company						
	Non-distributable			Distributable		Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000
	Share capital RM'000	Treasury shares RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained earnings RM'000		Total equity RM'000
At 1 January 2025	428,320	(5,561)	350,306	106,016	476,119	1,355,200	557,104
Foreign currency translation differences for foreign operations	-	-	-	(1,257)	-	(1,257)	(1,068)
Movement in revaluation of property, plant and equipment, net of tax	-	-	(28)	-	-	(28)	-
Profit/(Loss) after tax for the period	-	-	-	-	16,169	16,169	12,015
Total comprehensive income/(expense) for the period	-	-	(28)	(1,257)	16,169	14,884	10,947
Share options exercised	115	-	-	-	-	115	-
Transfer to share capital for share options exercised	33	-	(33)	-	-	-	-
Share-based payments	-	-	356	-	-	356	108
Issuance of shares to non-controlling interests	-	-	(2)	-	(5,676)	(5,678)	5,691
At 31 March 2025	428,468	(5,561)	350,599	104,759	486,612	1,364,877	573,850
At 1 January 2024	426,770	(5,561)	349,639	121,577	398,106	1,290,531	516,365
Foreign currency translation differences for foreign operations	-	-	-	10,560	-	10,560	6,104
Movement in revaluation of property, plant and equipment, net of tax	-	-	(9)	-	-	(9)	-
Profit/(Loss) after tax for the period	-	-	-	-	14,190	14,190	9,436
Total comprehensive income/(expense) for the period	-	-	(9)	10,560	14,190	24,741	15,540
Share options exercised	247	-	-	-	-	247	-
Transfer to share capital for share options exercised	68	-	(68)	-	-	-	-
Share-based payments	-	-	502	-	-	502	143
Issuance of shares to non-controlling interests	-	-	(34)	5	(169)	(198)	427
At 31 March 2024	427,085	(5,561)	350,030	132,142	412,127	1,315,823	532,475

(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 2024 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 31 MARCH 2025 (1ST QUARTER)**

(The figures have not been audited)

	For the 3 Months Period ended 31.3.2025 RM'000	For the 3 Months Period ended 31.3.2024 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	32,672	30,924
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	14,851	17,400
Finance costs	8,742	7,793
Loss/(Gain) on disposal of assets	2	(5,289)
Inventories/bad debts written (back)/off	(518)	(161)
Net impairment loss on investment in associate	151	-
Net fair value (gain)/loss on investment	113	-
Net impairment/(reversal) on property, plant and equipment	-	(235)
Net (gain)/loss on fair value adjustments on derivative instruments	(1,024)	(772)
Net loss/(gain) on foreign exchange	1,383	(4,730)
Interest income	(3,130)	(1,991)
Property, plant and equipment written off	(3)	-
Net provision/(reversal) for warranties	551	3
Share-based payments	464	645
Share of (profit)/loss of associates	(22,645)	(13,440)
(Reversal)/Provision for slow moving stocks	-	679
(Reversal)/Provision for foreseeable losses	318	-
Net impairment/(recovery) on financial assets and receivables	3,373	2,176
Operating profit/(loss) before changes in working capital	35,300	33,002
Changes in working capital:		
Receivables, deposits and prepayments	15,278	38,945
Inventories	(4,280)	(2,707)
Payables and accruals	(51,289)	(64,688)
Amount due from/(to) contract customers	16,719	93,550
Cash generated from/(used in) operations	11,728	98,102
Net income taxes paid	(4,486)	(4,998)
Net cash generated from/(used in) operating activities	7,242	93,104
Cash flows from investing activities		
Interest received	3,130	1,991
Investment in associates	(54,669)	-
Proceeds from disposal of assets	(72)	13,361
Purchase of property, plant and equipment	(10,536)	(10,888)
Addition to other non-current assets	(311)	(1,345)
Net cash generated from/(used in) investing activities	(62,458)	3,119

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025 (1ST QUARTER)
(The figures have not been audited)

	For the 3 Months Period ended 31.3.2025 RM'000	For the 3 Months Period ended 31.3.2024 RM'000
Cash flows from financing activities		
Interests paid	(8,770)	(7,813)
Proceeds from redeemable preference shares	3,600	-
Proceeds from exercise of share options	115	247
Proceeds from issuance of shares to non-controlling interests	13	229
Net drawdown/(repayment) of loans and borrowings	5,025	8,961
Net cash generated from/(used in) financing activities	(17)	1,624
Currency translation differences	3,973	(1,380)
Net increase/(decrease) in cash and cash equivalents	(51,260)	96,467
Cash and cash equivalents at 1 January	566,187	394,188
Cash and cash equivalents at 31 March	514,927	490,655

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

	31.3.2025 RM'000	31.3.2024 RM'000
Cash and bank balances	219,440	318,685
Short-term investments	184,143	64,334
Deposits placed with licensed banks	113,102	110,708
Cash and cash equivalents as per Statement of Financial Position	516,685	493,727
Bank overdrafts	(1,758)	(3,072)
	514,927	490,655

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024 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 31 MARCH 2025 (1ST QUARTER)

A. NOTES TO INTERIM FINANCIAL STATEMENTS

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements") and 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 2024. 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 2024.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2024 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2025:

MFRSs and IC Interpretations
(Including the Consequential Amendments)

Effective Date

- | | |
|---|----------------|
| • Amendments to MFRS 121: Lack of Exchangeability | 1 January 2025 |
|---|----------------|

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

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

MFRSs and IC Interpretations
(Including the Consequential Amendments, if any)

Effective Date

- | | |
|---|----------------|
| • MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| • MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| • Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| • Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| • Annual Improvement to MFRS Accounting Standards - Volumn 11 | 1 January 2026 |
| • Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The Auditors' Report of the financial statements for the preceding financial year ended 31 December 2024 was not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5. EXCEPTIONAL OR UNUSUAL ITEMS

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

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect on the current quarter results.

A7. DEBT AND EQUITY SECURITIES

During the financial period under review, a total of 278,000 new ordinary shares was issued pursuant to the exercise of Employees' Share Issuance Scheme ("SIS"). Other than as mentioned, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

A8. DIVIDEND PAID

There is no dividend paid during the quarter and financial period under review.

A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Period ended 31.3.2025	
	Revenue	Profit/(Loss)
	RM'000	before tax RM'000
Infrastructure construction	227,705	5,517
Cranes and intelligent automation	179,240	18,645
Share of Concessions profits/(loss) (net of tax)	102,578	22,122
	509,523	46,284
Less: Group eliminations	(78,220)	(13,612)
	431,303	32,672

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A11. MATERIAL SUBSEQUENT EVENTS

There were no material subsequent events from the end of the current quarter to 22 May 2025, which would likely to substantially affect the results of the Group for year 2025.

A12. CHANGES IN THE GROUP'S COMPOSITION

On 27 March 2025, MEB Group had acquired accumulated total of 31% equity interest in Master-Pack Group Berhad ("MPGB") and MPGB is an associated company of MEB Group accordingly.

Other than as mentioned, there were no major changes in the composition of the Group in the current quarter under review.

A13. CONTINGENT ASSETS/LIABILITIES

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

A14. CAPITAL COMMITMENTS

Capital commitments approved and contracted unconditionally as at 22 May 2025 is approximately RM72 million.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 31 MARCH 2025 (1ST QUARTER)**

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

B1. REVIEW OF GROUP PERFORMANCE (YTD 2025 vs. YTD 2024)

The Group reported higher consolidated revenue (including share of associates' revenue) of RM431.3 million with higher profit before tax of RM32.7 million for the financial period ended 31 March 2025 as compared to consolidated revenue (including share of associates' revenue) of RM413.9 million and profit before tax of RM30.9 million respectively for the corresponding period ended 31 March 2024.

The improvement in both Group revenue and profit before tax was mainly contributed by the Concession division.

B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q1 2025 vs. Q4 2024)

The Group reported lower consolidated revenue (including share of associates' revenue) of RM431.3 million with lower profit before tax of RM32.7 million as compared to consolidated revenue (including share of associates' revenue) of RM654.3 million and profit before tax of RM90.1 million in the preceding quarter. This is mainly due to there were forex gain of RM9.6 million in Q4 2024 as compared to forex loss of RM1.3 million in Q1 2025, as well as traditional trend of higher revenue and profit recognition during the last quarter of the year for cranes and automation divisions.

B3. GROUP'S PROSPECT

a) Secured Order Book

As at 22 May 2025, the Group's total outstanding secured order book in hand for the construction and cranes division is RM1.14 billion.

b) Prospect

The global economic landscape remains challenging with potential headwind from implementation of new tariff policies by the United States of America, ongoing geopolitical conflicts that disrupts the supply chain, as well as inflationary pressures affecting labour, material and operational costs.

The Group will continue to monitor and adapt to these new developments and pursue new orders.

B4. PROFIT FORECAST

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

B5. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after (crediting)/charging the following:

	Current Quarter 31.3.2025 RM'000	Cumulative Quarter 31.3.2025 RM'000
Depreciation and amortisation	14,851	14,851
Finance costs	8,742	8,742
Interest income	(3,130)	(3,130)
Net loss/(gain) on foreign exchange	1,383	1,383
Net (gain)/loss on derivatives	(1,024)	(1,024)
Net fair value (gain)/loss on investment	113	113
Loss/(Gain) on disposal of assets	2	2
Net impairment/(recovery) on financial assets and receivables	3,373	3,373
Net impairment loss on investment in associate	151	151
Inventories/bad debts written (back)/off	(518)	(518)
Property, plant and equipment written off	(3)	(3)
(Reversal)/Provision for foreseeable losses	318	318

B6. TAXATION

	Current Quarter 31.3.2025 RM'000	Cumulative Quarter 31.3.2025 RM'000
Current tax expense		
Malaysia	5,014	5,014
Overseas	902	902
	5,916	5,916
Deferred tax income		
Malaysia	(1,438)	(1,438)
Overseas	10	10
	(1,428)	(1,428)
Total tax expense	4,488	4,488

The Group's effective tax rate (excluding the results of associates which are equity accounted net of tax) for the financial period under review is higher than the statutory tax rate mainly due to different tax rates in applicable foreign jurisdictions, deferred tax assets not recognised and there is no group tax relief applicable for different listed companies and foreign jurisdiction.

B7. CORPORATE PROPOSALS

There was no other corporate proposals announced but not yet completed as at the date of this report.

B8. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign Currency		31.3.2025 RM'000
	Currency	Amount	
Short term borrowings		'000	
Secured	RM	142	142
	DKK	1,453	931
	Sub- total		1,073
Unsecured	RM	302,533	302,533
	AUD	1,063	2,961
	Sub- total		305,494
Total Short Term Borrowings			306,567
Long term borrowings			
Secured	RM	5,748	5,748
	Sub- total		5,748
Unsecured	RM	155,875	155,875
Total Long Term Borrowings			161,623
Total Gross Borrowings			468,190

B9. UPDATES ON MATERIAL LITIGATIONS

The latest updates for ongoing material arbitration/litigation cases for the Group are as follows:

(i) In October 2022, with regards to the claim by the Syrian Civil Aviation Authority ("SCAA") against MEB, the Council of State of Syria ("COS") has awarded SCAA EURO 3.17 million (approximately RM16 million).

In 20 February 2024, the tribunal at Dubai International Arbitration Centre ("DIAC") issued an award in favour of MEB for the sum of EURO8.8 million (approximately RM45.6 million) plus legal costs and interest costs until full payment by SCAA. SCAA has filed to nullify the award in Dubai Court. SCAA's application to nullify the award was dismissed by the Court of Cassation in Dubai on 25 September 2024.

(ii) The arbitration for claim against TTCL Malaysia Sdn Bhd (formerly known as Toyo Thai Malaysia Sdn Bhd), remains ongoing.

(iii) Tax assessment from the Inland Revenue Board of Malaysia ("IRB")

In April 2024, the High Court held that the matters should be heard at the Special Commissioners of Income Tax ("SCIT"). MEB Group appealed against this decision to the Court of Appeal ("COA"). The hearing in the COA is fixed on 23 Oct 2025 while the SCIT hearing is fixed in Dec 2025.

(iv) The arbitration from Haumea Offshore Sdn Bhd (formerly known as Trans Fame Off Shore Sdn Bhd)("TFO")

MEB was served with a Notice of Arbitration from TFO for a total claim of RM43.4 million ("the Claim") in respect of a sub-contract work for the Yetagun Acid Gas Removal Unit Project, which was mutually terminated effective on 15 July 2020. MEB will contest the Claim and will also file a counter-claim against TFO.

B10. PROPOSED DIVIDEND

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

B11. EARNINGS PER SHARE ("EPS")

Basic/Diluted EPS

	Basic EPS		Diluted EPS	
	Current 31.3.2025	Cumulative 31.3.2025	Current 31.3.2025	Cumulative 31.3.2025
Net profit attributable to the owners of the Company (RM'000)	16,169	16,169	16,169	16,169
Weighted average number of ordinary shares in issue ('000)	729,155	729,155	729,155	729,155
(net of treasury share hold by company)				
Exercise of Share options ('000)	-	-	30,823	30,823
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	729,155	729,155	759,978	759,978
EPS (Sen)	2.22	2.22	2.13	2.13

The share options granted to employee in 2022 expired on 26 July 2027.

B12. COMPARATIVE FIGURES

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

By order of the Board of Directors

Company Secretary

Date : 29 May 2025