

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	UNAUDITED AS AT 30.6.2025 RM'000	AUDITED AS AT 31.12.2024 RM'000
Assets		
Property, plant and equipment	1,008,040	1,070,934
Investment in associates	903,500	832,010
Other non-current assets	141,946	158,690
Total non-current assets	2,053,486	2,061,634
Receivables, deposits and prepayments	374,431	417,085
Contract assets	313,976	294,525
Inventories	255,522	250,772
Current tax assets and other assets	12,011	9,596
Cash and bank balances	574,260	571,195
Total current assets	1,530,200	1,543,173
Total assets	3,583,686	3,604,807
Equity		
Share capital	428,468	428,320
Reserves	925,433	926,880
Total equity attributable to owners of the Company	1,353,901	1,355,200
Non-controlling interests	565,986	557,104
Total equity	1,919,887	1,912,304
Liabilities		
Loans and borrowings	157,009	173,975
Hire purchase and lease liabilities	12,249	15,076
Deferred tax liabilities	112,632	110,074
Total non-current liabilities	281,890	299,125
Provision, payables and accruals	352,546	386,329
Contract liabilities	374,820	361,645
Bills payables	288,268	369,955
Loans and borrowings	342,579	250,288
Hire purchase and lease liabilities	7,299	8,162
Tax liabilities and other liabilities	16,397	16,999
Total current liabilities	1,381,909	1,393,378
Total liabilities	1,663,799	1,692,503
Total equity and liabilities	3,583,686	3,604,807
Net assets per share attributable to owners of the Company (RM)	1.86	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 30 JUNE 2025 (2ND QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		30.6.2025 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	30.6.2024 RM'000
Revenue (Note 1a)	A9	327,517	631,929	647,478	958,937
Cost of sales, other income and operating expenses		(306,513)	(599,414)	(614,538)	(905,925)
Results from operating activities		21,004	32,515	32,940	53,012
Interest income		3,610	5,476	6,740	7,467
Finance costs		(6,253)	(6,601)	(11,292)	(11,605)
Operating profit/(loss)	B5	18,361	31,390	28,388	48,874
Share of profit/(loss) of associates, net of tax		30,632	16,138	53,277	29,578
Profit/(Loss) before tax	B5	48,993	47,528	81,665	78,452
Tax expense	B6	(9,088)	(15,564)	(13,576)	(22,862)
Profit/(Loss) after tax for the period		39,905	31,964	68,089	55,590
Other comprehensive income					
Foreign currency translation differences for foreign operations		(29,683)	207	(32,008)	16,871
Movement in revaluation of property, plant equipment, net of tax		-	-	(28)	(9)
Other comprehensive income/(loss) for the period		(29,683)	207	(32,036)	16,862
Total comprehensive income/(loss) for the period		10,222	32,171	36,053	72,452
Profit/(Loss) attributable to:					
Owners of the Company		24,784	22,209	40,953	36,399
Non-controlling interests		15,121	9,755	27,136	19,191
Profit/(Loss) for the period		39,905	31,964	68,089	55,590
Total comprehensive income/(expense) attributable to:					
Owners of the Company		7,000	22,097	21,884	46,838
Non-controlling interests		3,222	10,074	14,169	25,614
Total comprehensive income/(expense) for the period		10,222	32,171	36,053	72,452
Earnings/(Loss) per ordinary share					
Basic (Sen)	B11	3.40	3.06	5.62	5.01
Diluted (Sen)	B11	3.26	2.91	5.39	4.77
Note (1a) - Proforma Revenue					
Revenue as reported above		327,517	631,929	647,478	958,937
Share of revenue of associates		101,458	96,087	212,800	182,947
Total revenue		428,975	728,016	860,278	1,141,884
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
Registration No. 197201001137 (12737-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025 (2ND QUARTER)
(The figures have not been audited)

	← Attributable to shareholders of the Company →				Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Treasury shares RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000				Distributable
At 1 January 2025	428,320	(5,561)	350,306	106,016	476,119	1,355,200	557,104	1,912,304
Foreign currency translation differences for foreign operations	-	-	-	(19,041)	-	(19,041)	(12,967)	(32,008)
Movement in revaluation of property, plant and equipment, net of tax	-	-	(28)	-	-	(28)	-	(28)
Profit/(Loss) after tax for the period	-	-	-	-	40,953	40,953	27,136	68,089
Total comprehensive income/(expense) for the period	-	-	(28)	(19,041)	40,953	21,884	14,169	36,053
Share options exercised	115	-	-	-	-	115	-	115
Transfer to share capital for share options exercised	33	-	(33)	-	-	-	-	-
Share-based payments	-	-	709	-	-	709	214	923
Issuance of shares to non-controlling interests	-	-	(7)	-	(2,067)	(2,074)	2,117	43
Dividend to owners of the Company	-	-	-	-	(21,933)	(21,933)	-	(21,933)
Dividend to non-controlling interests	-	-	-	-	-	-	(7,618)	(7,618)
At 30 June 2025	428,468	(5,561)	350,947	86,975	493,072	1,353,901	565,986	1,919,887
At 1 January 2024	426,770	(5,561)	349,639	121,577	398,106	1,290,531	516,365	1,806,896
Foreign currency translation differences for foreign operations	-	-	-	10,448	-	10,448	6,423	16,871
Movement in revaluation of property, plant and equipment, net of tax	-	-	(9)	-	-	(9)	-	(9)
Profit/(Loss) after tax for the period	-	-	-	-	36,399	36,399	19,191	55,590
Total comprehensive income/(expense) for the period	-	-	(9)	10,448	36,399	46,838	25,614	72,452
Share options exercised	341	-	-	-	-	341	-	341
Transfer to share capital for share options exercised	94	-	(94)	-	-	-	-	-
Share-based payments	-	-	852	-	-	852	198	1,050
Issuance of shares to non-controlling interests	-	-	(222)	(34)	4,352	4,096	(2,811)	1,285
Dividend to non-controlling interests	-	-	-	-	-	-	(7,783)	(7,783)
At 30 June 2024	427,205	(5,561)	350,166	131,991	438,857	1,342,658	531,583	1,874,241

(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 30 JUNE 2025 (2ND QUARTER)

(The figures have not been audited)

	For the 6 Months Period ended 30.6.2025 RM'000	For the 6 Months Period ended 30.6.2024 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	81,665	78,452
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	31,211	36,171
Finance costs	18,085	14,076
Loss/(Gain) on disposal of assets	(17,800)	(5,417)
Inventories/bad debts written (back)/off	(1,073)	(285)
Net impairment loss on investment in associate	302	302
Net fair value (gain)/loss on investment	(82)	-
Net impairment/(reversal) on property, plant and equipment	(7,758)	(940)
Net (gain)/loss on fair value adjustments on derivative instruments	(2,593)	(3,614)
Net loss/(gain) on foreign exchange	11,648	(7,474)
Interest income	(6,740)	(7,467)
Property, plant and equipment written off	1,285	2
Net provision/(reversal) for warranties	(2,253)	3
Share-based payments	923	1,050
Share of (profit)/loss of associates	(53,277)	(29,578)
(Reversal)/Provision for slow moving stocks	-	646
(Reversal)/Provision for foreseeable losses	(1,620)	(177)
Net impairment/(recovery) on financial assets and receivables	367	479
Operating profit/(loss) before changes in working capital	52,290	76,229
Changes in working capital:		
Receivables, deposits and prepayments	45,301	10,663
Inventories	(3,677)	(7,522)
Payables and accruals	(58,208)	(51,539)
Amount due from/(to) contract customers	(4,351)	26,468
Cash generated from/(used in) operations	31,355	54,299
Net income taxes paid	(11,134)	(8,991)
Net cash generated from/(used in) operating activities	20,221	45,308
Cash flows from investing activities		
Dividend received from associates	2,100	-
Interest received	6,740	7,467
Investment in associates	(54,669)	-
Proceeds from disposal of assets	78,032	14,237
Purchase of property, plant and equipment	(13,314)	(29,025)
Addition to other non-current assets	(1,664)	(3,573)
Net cash generated from/(used in) investing activities	17,225	(10,894)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2025 (2ND QUARTER)

(The figures have not been audited)

	For the 6 Months Period ended 30.6.2025 RM'000	For the 6 Months Period ended 30.6.2024 RM'000
Cash flows from financing activities		
Dividend paid to non-controlling interests	(7,618)	(7,783)
Interests paid	(18,067)	(14,114)
Proceeds from redeemable preference shares	3,600	-
Proceeds from exercise of share options	115	341
Proceeds from issuance of shares to non-controlling interests	43	1,285
Net drawdown/(repayment) of loans and borrowings	(6,313)	68,272
Net cash generated from/(used in) financing activities	(28,240)	48,001
Currency translation differences	(1,133)	2,375
Net increase/(decrease) in cash and cash equivalents	8,073	84,790
Cash and cash equivalents at 1 January	566,187	394,188
Cash and cash equivalents at 30 June	574,260	478,978

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

	30.6.2025 RM'000	30.6.2024 RM'000
Cash and bank balances	201,322	297,654
Short-term investments	203,174	78,807
Deposits placed with licensed banks	169,764	102,643
Cash and cash equivalents as per Statement of Financial Position	574,260	479,104
Bank overdrafts	-	(126)
	574,260	478,978

(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
Registration No. 197201001137 (12737-K)
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ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 JUNE 2025 (2ND 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:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective Date</u>
• 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:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments, if any)</u>	<u>Effective Date</u>
• 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 up to 30 June 2025, a total of 326,000 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 30.6.2025	
	Revenue RM'000	Profit/(Loss) before tax RM'000
Infrastructure construction	393,516	19,342
Cranes and intelligent automation	411,065	39,063
Share of Concessions profits/(loss) (net of tax)	184,791	49,958
	989,372	108,363
Less: Group eliminations	(129,094)	(26,698)
	<u>860,278</u>	<u>81,665</u>

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 21 August 2025, which would likely to substantially affect the results of the Group for year 2025.

A12. CHANGES IN THE GROUP'S COMPOSITION

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 21 August 2025 is approximately RM28.5 million.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 JUNE 2025 (2ND 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 lower consolidated revenue (including share of associates' revenue) of RM860.3 million with higher profit before tax of RM81.7 million for the financial period ended 30 June 2025 as compared to consolidated revenue (including share of associates' revenue) of RM1.14 billion and profit before tax of RM78.5 million respectively for the corresponding period ended 30 June 2024.

The group reported lower revenue in 2025 mainly due to completion of some of the construction projects. The higher Group profit before tax are mainly contributed by the Concession, Cranes and automation divisions.

B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q2 2025 vs. Q1 2025)

The Group reported similar consolidated revenue (including share of associates' revenue) of RM429.0 million as compared to RM431.3 million in the preceding quarter.

The Group however, reported higher profit before tax of RM49.0 million as compared to RM32.7 million in the preceding quarter mainly contributed by Concession, Cranes and automation divisions.

B3. GROUP'S PROSPECT

a) Secured Order Book

As at 21 August 2025, the Group's total outstanding secured order book in hand for the construction and cranes division is RM1.02 billion.

b) Prospect

The global economic environment remain challenging with upcoming headwinds from implementation of new tariff by United States of America globally besides 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 challenges and pursuing 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

	Current Quarter 30.6.2025 RM'000	Cumulative Quarter 30.6.2025 RM'000
Profit/(Loss) before tax is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	16,360	31,211
Finance costs	9,343	18,085
Interest income	(3,610)	(6,740)
Net loss/(gain) on foreign exchange	10,265	11,648
Net (gain)/loss on derivatives	(1,569)	(2,593)
Net fair value (gain)/loss on investment	(195)	(82)
Loss/(Gain) on disposal of assets	(17,802)	(17,800)
Net impairment/(recovery) on financial assets and receivables	(3,006)	367
Net impairment loss on investment in associate	151	302
Inventories/bad debts written (back)/off	(555)	(1,073)
Net impairment/(reversal) on property, plant and equipment	(7,758)	(7,758)
Property, plant and equipment written off	1,288	1,285
(Reversal)/Provision for foreseeable losses	(1,938)	(1,620)

B6. TAXATION

	Current Quarter 30.6.2025 RM'000	Cumulative Quarter 30.6.2025 RM'000
Current tax expense		
Malaysia	3,750	8,765
Overseas	2,159	3,061
	5,909	11,826
Deferred tax income		
Malaysia	3,091	1,653
Overseas	88	97
	3,179	1,750
Total tax expense	<u>9,088</u>	<u>13,576</u>

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		30.6.2025 RM'000
	Currency	Amount	
Short term borrowings		'000	
Secured	RM	37,611	37,611
	DKK	520	345
	Sub- total		37,956
Unsecured	RM	291,775	291,775
	AUD	4,665	12,848
	Sub- total		304,623
Total Short Term Borrowings			342,579
Long term borrowings			
Secured	RM	5,634	5,634
	Sub- total		5,634
Unsecured	RM	151,375	151,375
Total Long Term Borrowings			157,009
Total Gross Borrowings			499,588

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'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 previously mutually terminated effective on 15 July 2020. MEB has filed its Response to the Notice of Arbitration, which it contests the Claim and has indicated its intention to file a counterclaim.

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 30.6.2025	Cumulative 30.6.2025	Current 30.6.2025	Cumulative 30.6.2025
Net profit attributable to the owners of the Company (RM'000)	24,784	40,953	24,784	40,953
Weighted average number of ordinary shares in issue ('000) (net of treasury share hold by company)	729,281	729,218	729,281	729,218
Exercise of Share options ('000)	-	-	30,669	30,669
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	729,281	729,218	759,950	759,887
EPS (Sen)	3.40	5.62	3.26	5.39

The share options scheme for employees will expire 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 : 28 August 2025