

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2025**

	UNAUDITED AS AT 30.9.2025 RM'000	AUDITED AS AT 31.12.2024 RM'000
Assets		
Property, plant and equipment	996,105	1,070,934
Investment in associates	909,747	832,010
Other non-current assets	170,373	158,690
Total non-current assets	2,076,225	2,061,634
Receivables, deposits and prepayments	421,702	417,085
Contract assets	236,819	294,525
Inventories	289,679	250,772
Current tax assets and other assets	13,543	9,596
Cash and bank balances	510,034	571,195
Total current assets	1,471,777	1,543,173
Total assets	3,548,002	3,604,807
Equity		
Share capital	429,056	428,320
Reserves	933,660	926,880
Total equity attributable to owners of the Company	1,362,716	1,355,200
Non-controlling interests	583,003	557,104
Total equity	1,945,719	1,912,304
Liabilities		
Loans and borrowings	152,396	173,975
Hire purchase and lease liabilities	9,517	15,076
Deferred tax liabilities	112,556	110,074
Total non-current liabilities	274,469	299,125
Provision, payables and accruals	320,163	386,329
Contract liabilities	356,985	361,645
Bills payables	288,698	369,955
Loans and borrowings	330,130	250,288
Hire purchase and lease liabilities	7,444	8,162
Tax liabilities and other liabilities	24,394	16,999
Total current liabilities	1,327,814	1,393,378
Total liabilities	1,602,283	1,692,503
Total equity and liabilities	3,548,002	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 SEPTEMBER 2025 (3RD QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		30.9.2025 RM'000	30.9.2024 RM'000	30.9.2025 RM'000	30.9.2024 RM'000
Revenue (Note 1a)	A9	289,836	423,367	937,314	1,382,304
Cost of sales, other income and operating expenses		(278,640)	(447,559)	(893,178)	(1,353,484)
Results from operating activities		11,196	(24,192)	44,136	28,820
Interest income		5,845	4,067	12,585	11,534
Finance costs		(6,263)	(4,946)	(17,555)	(16,551)
Operating profit/(loss)	B5	10,778	(25,071)	39,166	23,803
Share of profit/(loss) of associates, net of tax		33,824	31,575	87,101	61,153
Profit/(Loss) before tax	B5	44,602	6,504	126,267	84,956
Tax expense	B6	(17,054)	475	(30,630)	(22,387)
Profit/(Loss) after tax for the period		27,548	6,979	95,637	62,569
Other comprehensive income					
Foreign currency translation differences for foreign operations		(3,555)	(91,895)	(35,563)	(75,024)
Movement in revaluation of property, plant equipment, net of tax		-	-	(28)	(9)
Other comprehensive income/(loss) for the period		(3,555)	(91,895)	(35,591)	(75,033)
Total comprehensive income/(loss) for the period		23,993	(84,916)	60,046	(12,464)
Profit/(Loss) attributable to:					
Owners of the Company		14,131	(4,427)	55,084	31,972
Non-controlling interests		13,417	11,406	40,553	30,597
Profit/(Loss) for the period		27,548	6,979	95,637	62,569
Total comprehensive income/(expense) attributable to:					
Owners of the Company		10,735	(58,650)	32,619	(11,812)
Non-controlling interests		13,258	(26,266)	27,427	(652)
Total comprehensive income/(expense) for the period		23,993	(84,916)	60,046	(12,464)
Earnings/(Loss) per ordinary share					
Basic (Sen)	B11	1.93	(0.61)	7.55	4.40
Diluted (Sen)	B11	1.86	(0.58)	7.26	4.19
Note (1a) - Proforma Revenue					
Revenue as reported above		289,836	423,367	937,314	1,382,304
Share of revenue of associates		75,853	131,115	288,653	314,062
Total revenue		365,689	554,482	1,225,967	1,696,366
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)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2025 (3RD QUARTER)**

(The figures have not been audited)

	Attributable to shareholders of the Company						
		Non-distributable		Distributable			
	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 attributable to owners of the Company RM'000	Non-controlling interests 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	-	-	-	(22,437)	-	(22,437)	(13,126)
Movement in revaluation of property, plant and equipment, net of tax	-	-	(28)	-	-	(28)	-
Profit/(Loss) after tax for the period	-	-	-	-	55,084	55,084	40,553
Total comprehensive income/(expense) for the period	-	-	(28)	(22,437)	55,084	32,619	27,427
Share options exercised	703	-	-	-	-	703	-
Transfer to share capital for share options exercised	33	-	(33)	-	-	-	-
Share-based payments	-	-	882	-	-	882	221
Issuance of shares to non-controlling interests	-	-	(206)	(11)	(4,538)	(4,755)	5,920
Dividend to owners of the Company	-	-	-	-	(21,933)	(21,933)	-
Dividend to non-controlling interests	-	-	-	-	-	-	(7,669)
At 30 September 2025	429,056	(5,561)	350,921	83,568	504,732	1,362,716	583,003
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	-	-	-	(43,775)	-	(43,775)	(31,249)
Movement in revaluation of property, plant and equipment, net of tax	-	-	(9)	-	-	(9)	-
Profit/(Loss) after tax for the period	-	-	-	-	31,972	31,972	30,597
Total comprehensive income/(expense) for the period	-	-	(9)	(43,775)	31,972	(11,812)	(652)
Share options exercised	376	-	-	-	-	376	-
Transfer to share capital for share options exercised	105	-	(105)	-	-	-	-
Share-based payments	-	-	1,044	-	-	1,044	169
Issuance of shares to non-controlling interests	-	-	(555)	(42)	12,785	12,188	(8,968)
Dividend to non-controlling interests	-	-	-	-	-	-	(7,613)
At 30 September 2024	427,251	(5,561)	350,014	77,760	442,863	1,292,327	499,301

(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)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025 (3RD QUARTER)**

(The figures have not been audited)

	For the 9 Months Period ended 30.9.2025 RM'000	For the 9 Months Period ended 30.9.2024 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	126,267	84,956
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	47,047	54,145
Finance costs	26,061	22,587
Loss/(Gain) on disposal of assets	(13,010)	(12,416)
Inventories/bad debts written (back)/off	945	52
Net impairment loss on investment in associate	454	454
Net fair value (gain)/loss on investment	15	(1,838)
Net impairment/(reversal) on property, plant and equipment	(19,024)	(705)
Net (gain)/loss on fair value adjustments on derivative instruments	(1,140)	(1,591)
Net loss/(gain) on foreign exchange	10,405	22,080
Interest income	(12,585)	(11,534)
Property, plant and equipment written off	1,488	1,691
Net provision/(reversal) for warranties	(2,946)	(1,223)
Share-based payments	1,103	1,213
Share of (profit)/loss of associates	(87,101)	(61,153)
(Reversal)/Provision for slow moving stocks	-	(482)
(Reversal)/Provision for foreseeable losses	(5,302)	(185)
Net impairment/(recovery) on financial assets and receivables	4,838	(7,468)
Operating profit/(loss) before changes in working capital	77,515	88,583
Changes in working capital:		
Receivables, deposits and prepayments	(27,143)	78,955
Inventories	(9,741)	(946)
Payables and accruals	(60,164)	(178,536)
Amount due from/(to) contract customers	48,043	159,995
Cash generated from/(used in) operations	28,510	148,051
Net income taxes paid	(22,272)	(22,237)
Net cash generated from/(used in) operating activities	6,238	125,814
Cash flows from investing activities		
Dividend received from associates	4,200	2,100
Interest received	12,585	11,534
Investment in associates	(54,669)	-
Proceeds from acquisition of marketable securities	-	(873)
Proceeds from disposal of assets	85,133	31,566
Purchase of property, plant and equipment	(22,158)	(38,947)
Addition to other non-current assets	(11,161)	(3,917)
Net cash generated from/(used in) investing activities	13,930	1,463

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025 (3RD QUARTER)
(The figures have not been audited)

	For the 9 Months Period ended 30.9.2025 RM'000	For the 9 Months Period ended 30.9.2024 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(21,933)	-
Dividend paid to non-controlling interests	(7,669)	(7,613)
Interests paid	(26,174)	(22,722)
Proceeds from redeemable preference shares	3,600	-
Proceeds from exercise of share options	703	376
Proceeds from issuance of shares to non-controlling interests	1,165	3,220
Net drawdown/(repayment) of loans and borrowings	(25,593)	116,602
Net cash generated from/(used in) financing activities	(75,901)	89,863
Currency translation differences	(420)	(23,155)
Net increase/(decrease) in cash and cash equivalents	(56,153)	193,985
Cash and cash equivalents at 1 January	566,187	394,188
Cash and cash equivalents at 30 September	510,034	588,173

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

	30.9.2025 RM'000	30.9.2024 RM'000
Cash and bank balances	165,109	392,630
Short-term investments	181,153	85,182
Deposits placed with licensed banks	163,772	110,361
Cash and cash equivalents as per Statement of Financial Position	510,034	588,173
Bank overdrafts	-	-
	510,034	588,173

(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 SEPTEMBER 2025 (3RD 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 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 September 2025, a total of 2,152,000 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

During the quarter under review, the following dividend was paid on 15 August 2025:

	RM'000
A first and final tax exempt dividend of 3.00 sen per ordinary share in respect of the financial year ended 31 December 2024	<u>21,933</u>

A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Period ended 30.9.2025	
	Revenue	Profit/(Loss)
	RM'000	before tax RM'000
Infrastructure construction	650,195	29,234
Cranes and intelligent automation	570,541	50,233
Share of Concessions profits/(loss) (net of tax)	<u>239,489</u>	<u>83,452</u>
	1,460,225	162,919
Less: Group eliminations	<u>(234,258)</u>	<u>(36,652)</u>
	<u>1,225,967</u>	<u>126,267</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 12 November 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 12 November 2025 is approximately RM32.6 million.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 SEPTEMBER 2025 (3RD 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 RM1.23 billion with higher profit before tax of RM126.3 million for the financial period ended 30 September 2025 as compared to consolidated revenue (including share of associates' revenue) of RM1.70 billion and profit before tax of RM84.9 million respectively for the corresponding period ended 30 September 2024.

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

B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q3 2025 vs. Q2 2025)

The Group reported lower consolidated revenue (including share of associates' revenue) of RM365.7 million as compared to RM429.0 million in the preceding quarter.

The Group reported slightly lower profit before tax of RM44.6 million as compared to RM49.0 million in the preceding quarter mainly due to lower sales and contribution by Cranes and automation division.

B3. GROUP'S PROSPECT

a) Secured Order Book

As at 12 November 2025, the Group's total outstanding secured order book in hand for the construction and cranes division is RM0.8 billion.

b) Prospect

The global economic environment remain challenging with upcoming headwinds from implementation of new tariff 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 30.9.2025 RM'000	Cumulative Quarter 30.9.2025 RM'000
Profit/(Loss) before tax is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	15,836	47,047
Finance costs	7,976	26,061
Interest income	(5,845)	(12,585)
Net loss/(gain) on foreign exchange	(1,243)	10,405
Net (gain)/loss on derivatives	1,453	(1,140)
Net fair value (gain)/loss on investment	97	15
Loss/(Gain) on disposal of assets	4,790	(13,010)
Net impairment/(recovery) on financial assets and receivables	4,471	4,838
Net impairment loss on investment in associate	151	454
Inventories/bad debts written (back)/off	2,018	945
Net impairment/(reversal) on property, plant and equipment	(11,266)	(19,024)
Property, plant and equipment written off	203	1,488
(Reversal)/Provision for foreseeable losses	(3,682)	(5,302)

B6. TAXATION

	Current Quarter 30.9.2025 RM'000	Cumulative Quarter 30.9.2025 RM'000
Current tax expense		
Malaysia	2,997	11,761
Overseas	13,156	16,217
	16,153	27,978
Deferred tax income		
Malaysia	791	2,444
Overseas	110	208
	901	2,652
Total tax expense	17,054	30,630

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		30.9.2025 RM'000
	Currency	Amount	
Short term borrowings		'000	
Secured	RM	37,618	37,618
	Sub- total		37,618
Unsecured	RM	291,775	291,775
	AUD	265	737
	Sub- total		292,512
Total Short Term Borrowings			330,130
Long term borrowings			
Secured	RM	5,521	5,521
	Sub- total		5,521
Unsecured	RM	146,875	146,875
Total Long Term Borrowings			152,396
Total Gross Borrowings			482,526

B9. UPDATES ON MATERIAL LITIGATIONS

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

(i) The status arbitration cases between Syrian Civil Aviation Authority ("SCAA") and MEB in Syria and Dubai remain the same. In October 2022, with regards to the claim by the 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 COA on 23 October 2025 directed MEB Group case to be heard at the SCIT. Therefore, MEB Group will proceed with the SCIT hearing in December 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 with effect from 15 July 2020. MEB has filed its Response to the Notice of Arbitration in May 2025, disputing 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 30.9.2025	Cumulative 30.9.2025	Current 30.9.2025	Cumulative 30.9.2025
Net profit attributable to the owners of the Company (RM'000)	14,131	55,084	14,131	55,084
Weighted average number of ordinary shares in issue ('000) (net of treasury share hold by company)	730,869	729,774	730,869	729,774
Exercise of Share options ('000)	-	-	28,694	28,694
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	730,869	729,774	759,563	758,468
EPS (Sen)	1.93	7.55	1.86	7.26

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 : 19 November 2025