MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	UNAUDITED AS AT 30.6.2026 RM'000	AUDITED AS AT 31.12.2025 RM'000
Assets		
Property, plant and equipment	**1,074,929**	1,070,110
Investment in associates	**756,183**	740,201
Other non-current assets	**152,171**	143,952
Total non-current assets	**1,983,283**	1,954,263
Receivables, deposits and prepayments	**359,345**	414,956
Contract assets	**391,317**	170,820
Inventories	**318,097**	244,364
Current tax assets and other assets	**20,869**	15,721
Cash and bank balances	**849,637**	783,668
Total current assets	**1,939,265**	1,629,529
Total assets	**3,922,548**	3,583,792
Equity		
Share capital	**429,748**	429,601
Reserves	**976,989**	977,926
Total equity attributable to owners of the Company	**1,406,737**	1,407,527
Non-controlling interests	**591,935**	575,964
Total equity	**1,998,672**	1,983,491
Liabilities		
Payables and accruals	**3,182**	-
Loans and borrowings	**135,767**	146,996
Hire purchase and lease liabilities	**9,982**	4,489
Deferred tax liabilities	**138,856**	141,546
Total non-current liabilities	**287,787**	293,031
Provision, payables and accruals	**593,851**	383,808
Contract liabilities	**207,375**	210,441
Bills payables	**366,932**	340,662
Loans and borrowings	**441,019**	345,941
Hire purchase and lease liabilities	**9,380**	10,785
Tax liabilities and other liabilities	**17,532**	15,633
Total current liabilities	**1,636,089**	1,307,270
Total liabilities	**1,923,876**	1,600,301
Total equity and liabilities	**3,922,548**	3,583,792
Net assets per share attributable to owners of the Company (RM)	**1.93**	1.92

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2025 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 2026 (2ND QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		30.6.2026 RM'000	30.6.2025 RM'000	30.6.2026 RM'000	30.6.2025 RM'000
Revenue (Note 1a)	A9	**381,428**	327,517	**615,156**	647,478
Cost of sales, other income and operating expenses		**(356,933)**	(306,513)	**(578,120)**	(614,538)
Results from operating activities		**24,495**	21,004	**37,036**	32,940
Interest income		**3,936**	3,610	**7,674**	6,740
Finance costs		**(7,382)**	(6,253)	**(14,173)**	(11,292)
Operating profit/(loss)	B5	**21,049**	18,361	**30,537**	28,388
Share of profit/(loss) of associates, net of tax		**8,725**	30,632	**21,473**	53,277
Profit/(Loss) before tax	B5	**29,774**	48,993	**52,010**	81,665
Tax expense	B6	**(4,522)**	(9,088)	**(7,359)**	(13,576)
Profit/(Loss) after tax for the period		**25,252**	39,905	**44,651**	68,089
Other comprehensive income					
Foreign currency translation differences for foreign operations		**5,077**	(29,683)	**3,574**	(32,008)
Movement in revaluation of property, plant equipment, net of tax		**-**	-	**-**	(28)
Other comprehensive income/(loss) for the period		**5,077**	(29,683)	**3,574**	(32,036)
Total comprehensive income/(loss) for the period		**30,329**	10,222	**48,225**	36,053
Profit/(Loss) attributable to:					
Owners of the Company		**16,771**	24,784	**29,653**	40,953
Non-controlling interests		**8,481**	15,121	**14,998**	27,136
Profit/(Loss) for the period		**25,252**	39,905	**44,651**	68,089
Total comprehensive income/(expense) attributable to:					
Owners of the Company		**19,650**	7,000	**32,093**	21,884
Non-controlling interests		**10,679**	3,222	**16,132**	14,169
Total comprehensive income/(expense) for the period		**30,329**	10,222	**48,225**	36,053
Earnings/(Loss) per ordinary share					
Basic (Sen)	B11	**2.30**	3.40	**4.06**	5.62
Diluted (Sen)	B11	**2.21**	3.26	**3.91**	5.39
Note (1a) - Proforma Revenue					
Revenue as reported above		**381,428**	327,517	**615,156**	647,478
Share of revenue of associates		**75,308**	101,458	**153,158**	212,800
Total revenue		**456,736**	428,975	**768,314**	860,278

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 2025 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD
Registration No. 197201001137 (12737-K)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2026 (2ND 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 2026	429,601	(5,561)	384,033	75,936	523,518	1,407,527	575,964	1,983,491
Foreign currency translation differences for foreign operations	-	-	-	2,440	-	2,440	1,134	3,574
Movement in revaluation of property, plant and equipment, net of tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax for the period	-	-	-	-	29,653	29,653	14,998	44,651
Total comprehensive income/(expense) for the period	-	-	-	2,440	29,653	32,093	16,132	48,225
Share options exercised	115	-	-	-	-	115	-	115
Transfer to share capital for share options exercised	32	-	(32)	-	-	-	-	-
Share-based payments	-	-	303	-	-	303	66	369
Shares repurchased	-	(814)	-	-	-	(814)	-	(814)
Issuance of shares to non-controlling interests	-	-	(114)	(1)	(6,693)	(6,808)	7,475	667
Dividend to owners of the Company	-	-	-	-	(25,679)	(25,679)	-	(25,679)
Dividend to non-controlling interests	-	-	-	-	-	-	(7,702)	(7,702)
At 30 June 2026	429,748	(6,375)	384,190	78,375	520,799	1,406,737	591,935	1,998,672
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

(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 2025 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 2026 (2ND QUARTER)

(The figures have not been audited)

	For the 6 Months Period ended 30.6.2026 RM'000	For the 6 Months Period ended 30.6.2025 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	**52,010**	81,665
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	**27,758**	31,211
Finance costs	**17,745**	18,085
Loss/(Gain) on disposal of assets	**(32)**	(17,800)
Net impairment/(reversal) on property, plant and equipment	**-**	(7,758)
Inventories/bad debts written (back)/off	**(322)**	(1,073)
Net impairment loss on investment in associate	**302**	302
Net fair value (gain)/loss on other investments	**38**	(82)
Net (gain)/loss on fair value adjustments on derivative instruments	**5,545**	(2,593)
Net loss/(gain) on foreign exchange	**(6,245)**	11,648
Interest income	**(7,674)**	(6,740)
Property, plant and equipment written off	**23**	1,285
Net provision/(reversal) for warranties	**(5,144)**	(2,253)
Share-based payments	**369**	923
Share of (profit)/loss of associates	**(21,473)**	(53,277)
(Reversal)/Provision for foreseeable losses	**356**	(1,620)
Net impairment/(recovery) on financial assets and receivables	**(13,478)**	367
Operating profit/(loss) before changes in working capital	**49,779**	52,290
Changes in working capital:		
Receivables, deposits and prepayments	**85,660**	45,301
Inventories	**(32,251)**	(3,677)
Payables and accruals	**141,999**	(65,826)
Amount due from/(to) contract customers	**(221,427)**	(4,351)
Cash generated from/(used in) operations	**23,760**	23,737
Net income taxes paid	**(13,601)**	(11,134)
Net cash generated from/(used in) operating activities	**10,159**	12,603
Cash flows from investing activities		
Acquisition of subsidiary, net of cash and cash equivalents acquired	**(38,873)**	-
Acquisition of treasury shares	**(814)**	-
Dividend received from associates	**8,278**	2,100
Interest received	**7,674**	6,740
Investment in associates	**-**	(54,669)
Proceeds from disposal of assets	**1,481**	78,032
Purchase of property, plant and equipment	**(9,201)**	(13,314)
Addition to other non-current assets	**(2,534)**	(1,664)
Net cash generated from/(used in) investing activities	**(33,989)**	17,225

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026 (2ND QUARTER)
(The figures have not been audited)

	For the 6 Months Period ended 30.6.2026 RM'000	For the 6 Months Period ended 30.6.2025 RM'000
Cash flows from financing activities		
Interests paid	**(17,758)**	(18,067)
Proceeds from redeemable preference shares	**-**	3,600
Proceeds from exercise of share options	**115**	115
Proceeds from issuance of shares to non-controlling interests	**667**	43
Net drawdown/(repayment) of loans and borrowings	**94,189**	(6,313)
Net cash generated from/(used in) financing activities	**77,213**	(20,622)
Currency translation differences	**9,002**	(1,133)
Net increase/(decrease) in cash and cash equivalents	**62,385**	8,073
Cash and cash equivalents at 1 January	**781,159**	566,187
Cash and cash equivalents at 30 June	**843,544**	574,260

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

	30.6.2026 RM'000	30.6.2025 RM'000
Cash and bank balances	**334,977**	201,322
Short-term investments	**372,549**	203,174
Deposits placed with licensed banks	**142,111**	169,764
Cash and cash equivalents as per Statement of Financial Position	**849,637**	574,260
Bank overdrafts	**(6,093)**	-
	843,544	574,260

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD
Registration No. 197201001137 (12737-K)
(Incorporated in Malaysia)

ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE PERIOD ENDED 30 JUNE 2026 (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 2025. 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 2025.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2025 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2026:

MFRSs and IC Interpretations (Including the Consequential Amendments)	Effective Date
• 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

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 19 : Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to MFRS 121 : Transition to a Hyperinflationary Presentation Currency	1 January 2027
• 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 2025 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 2026, a total of 303,000 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 30.6.2026	
	Revenue RM'000	Profit/(Loss) before tax RM'000
Infrastructure construction	444,972	40,536
Cranes and intelligent automation	366,902	32,518
Share of Concessions profits/(loss) (net of tax)	114,773	18,240
	926,647	91,294
Less: Group eliminations	(158,333)	(39,284)
	768,314	52,010

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 19 August 2026, which would likely to substantially affect the results of the Group for year 2026.

A12. CHANGES IN THE GROUP'S COMPOSITION

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

During the financial quarter, Exact Automation Sdn. Bhd., a 70% owned subsidiary of Favelle Favco Berhad ("FFB"), completed the acquisition of a 100% equity interest in Flameproof Electrical Enclosures UK Limited, which is a specialist in manufacturing of metal enclosures designed for use in explosive atmospheres on 31 May 2026 for a total cash consideration of GBP1.062 million.

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 19 August 2026 is approximately RM18.0 million.

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

B1. REVIEW OF GROUP PERFORMANCE (YTD 2026 vs. YTD 2025)

The Group reported lower consolidated revenue (including share of associates' revenue) of RM768.3 million with lower profit before tax of RM52.0 million for the financial period ended 30 June 2026 as compared to consolidated revenue (including share of associates' revenue) of RM860.3 million and profit before tax of RM81.7 million respectively for the corresponding period ended 30 June 2025 due to mainly lower contribution from Cambodia Airport concession and there was gain on disposal of vessels in corresponding period last year.

B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q2 2026 vs. Q1 2026)

The Group reported higher consolidated revenue (including share of associates' revenue) of RM456.7 million as compared to RM311.6 million in the preceding quarter.

The Group reported higher profit before tax of RM29.8 million as compared to RM22.2 million in the preceding quarter mainly due to higher sales and contribution from Infrastructure construction and Cranes, Automation divisions as well as reversal of deferred tax overprovision in prior year by Marine division.

B3. GROUP'S PROSPECT

a) Secured Order Book

As at 19 August 2026, the Group's total outstanding secured order book in hand for the construction, cranes and automation division is approximately RM2.35 billion.

b) Prospect

Current geopolitical developments, have heightened uncertainty in global energy markets and contributed to volatility in oil prices and inflationary pressures.

On the other hand, higher oil prices may support increased exploration, development and maintenance activities in the O&G sector, particularly in offshore developments, which could present potential opportunities for the Group oil & gas businesses in the region. Continued infrastructure and energy related investments, both domestically and internationally, may also provide additional avenues for growth to the Group. The Group believes its established engineering expertise, proven project delivery capabilities and international market presence in the O&G sector position it well to pursue these opportunities.

The Group will continue to focus on strengthening project execution, enhancing operational efficiency and replenishing its order book through participation in projects aligned with its technical capabilities, risk management framework and financial discipline.

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 30.6.2026 RM'000	Cumulative Quarter 30.6.2026 RM'000
Profit/(Loss) before tax is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	13,890	27,758
Finance costs	8,845	17,745
Interest income	(3,936)	(7,674)
Net loss/(gain) on foreign exchange	749	(6,245)
Net (gain)/loss on derivatives	465	5,545
Net fair value (gain)/loss on investment	(19)	38
Loss/(Gain) on disposal of assets	(29)	(32)
Net impairment/(recovery) on financial assets and receivables	786	(13,478)
Net impairment loss on investment in associate	151	302
Inventories/bad debts written (back)/off	(97)	(322)
Property, plant and equipment written off	23	23
(Reversal)/Provision for foreseeable losses	434	356

B6. TAXATION

	Current Quarter 30.6.2026 RM'000	Cumulative Quarter 30.6.2026 RM'000
Current tax expense		
Malaysia	(687)	3,096
Overseas	1,667	1,876
	980	4,972
Deferred tax income		
Malaysia	3,542	2,387
Overseas	-	-
	3,542	2,387
Total tax expense	4,522	7,359

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		30.6.2026
	Currency	Amount	RM'000
Short term borrowings		'000	
Secured	RM	6,651	6,651
	Sub- total		6,651
Unsecured	RM	432,555	432,555
	AUD	646	1,813
	Sub- total		434,368
Total Short Term Borrowings			**441,019**
Long term borrowings			
Secured	RM	5,017	5,017
	Sub- total		5,017
Unsecured	RM	130,750	130,750
Total Long Term Borrowings			**135,767**
Total Gross Borrowings			**576,786**

B9. UPDATES ON MATERIAL LITIGATIONS

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

(i) The status of arbitration between Syrian Civil Aviation Authority ("SCAA") and MEB remain status quo.

(ii) The arbitration for claim against TTCL Malaysia Sdn Bhd (formerly known as Toyo Thai Malaysia Sdn Bhd), remains ongoing. The arbitration hearing has concluded, and all Parties have filed their submissions. The Parties are now awaiting the delivery of the arbitral award.

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

The hearing at the Special Commissioners of Income Tax (SCIT) in December 2025 has been vacated with request from IRB and the next hearing dates are scheduled in December 2026 and January 2027.

(iv) The arbitration from Haumea Offshore Sdn Bhd

Both parties have since filed their respective pleadings and are currently in the process of exchanging documents. The hearing for the matter has been fixed for November 2026.

(v) There are several Suits against Favelle Favco Berhad ("FFB") and its subsidiary, Favelle Favco Cranes (USA) Inc ("FFU"), together with other defendants, commenced by individual and/or companies in the Supreme Court of the State of New York, Country of New York, in connection with an incident at a construction site in New York on 26 July 2023.

The official independent investigation report did not attribute the incident to any failure by the crane manufacturer or suppliers. Therefore, the insurer of FFB and FFU will take all necessary steps to vigorously defend the proceedings.

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	Cumulative	Current	Cumulative
	30.6.2026		30.6.2026	
Net profit attributable to the owners of the Company (RM'000)	16,771	29,653	16,771	29,653
Weighted average number of ordinary shares in issue ('000) (net of treasury share hold by company)	730,187	730,135	730,187	730,135
Exercise of Share options ('000)	-	-	27,311	27,311
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	730,187	730,135	757,498	757,446
EPS (Sen)	2.30	4.06	2.21	3.91

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 : 26 August 2026