

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 30 June 2025

The figures have not been audited

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

	QUARTER ENDED		CUMULATIVE 6 MONTHS ENDED	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM '000	RM '000	RM '000	RM '000
Revenue	431,573	900,025	884,673	1,884,494
Other operating income	<u>12,761</u>	<u>28,432</u>	<u>8,433</u>	<u>32,961</u>
Operating profit	13,136	79,095	28,501	93,541
Finance cost	(2,798)	(4,726)	(5,489)	(8,261)
Profit before taxation	<u>10,338</u>	<u>74,369</u>	<u>23,012</u>	<u>85,280</u>
Taxation	<u>(283)</u>	<u>(399)</u>	<u>(719)</u>	<u>(887)</u>
Profit after taxation	<u>10,055</u>	<u>73,970</u>	<u>22,293</u>	<u>84,393</u>
Other comprehensive income:				
Fair value through other comprehensive income:				
Changes in fair value of hedging derivatives	<u>5,528</u>	<u>(916)</u>	<u>8,150</u>	<u>(800)</u>
Total comprehensive income for the period	<u>15,583</u>	<u>73,054</u>	<u>30,443</u>	<u>83,593</u>
Profit attributable to:				
Equity holders of the Company	10,055	73,917	22,293	84,340
Non-controlling interests	-	53	-	53
	<u>10,055</u>	<u>73,970</u>	<u>22,293</u>	<u>84,393</u>
Total comprehensive income attributable to:				
Equity holders of the Company	15,583	73,001	30,443	83,540
Non-controlling interests	-	53	-	53
	<u>15,583</u>	<u>73,054</u>	<u>30,443</u>	<u>83,593</u>
Profit per share attributable to equity holders of the Company:				
(i) Basic (sen)	0.6	4.6	1.4	5.3
(ii) Dilutive (sen)	0.6	4.6	1.4	5.3

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	30 Jun 2025 RM '000	31 Dec 2024 RM '000
Non-current assets		
Property, plant and equipment	1,582,474	1,534,988
Right-of-use assets	183,541	187,480
Investment in joint ventures	57	57
Deferred tax assets	94,047	94,047
	<u>1,860,119</u>	<u>1,816,572</u>
Current assets		
Inventories	2,736	2,637
Trade and other receivables	1,128,551	1,253,712
Derivatives	3,473	-
Cash and bank balances	506,490	457,591
	<u>1,641,250</u>	<u>1,713,940</u>
TOTAL ASSETS	<u>3,501,369</u>	<u>3,530,512</u>
Equity attributable to equity holders of the Company		
Share capital	1,618,263	1,618,263
Cash flow hedge reserve	465	(7,685)
Accumulated losses	(208,768)	(231,061)
	<u>1,409,960</u>	<u>1,379,517</u>
Non-controlling interests	839	839
Total equity	<u>1,410,799</u>	<u>1,380,356</u>
Non-current liabilities		
Borrowing	201,432	221,949
Lease liabilities	6,138	6,479
	<u>207,570</u>	<u>228,428</u>
Current liabilities		
Trade and other payables	1,841,682	1,879,924
Borrowings	40,307	39,303
Lease liabilities	717	753
Derivatives	-	1,278
Tax payable	294	470
	<u>1,883,000</u>	<u>1,921,728</u>
Total liabilities	<u>2,090,570</u>	<u>2,150,156</u>
TOTAL EQUITY AND LIABILITIES	<u>3,501,369</u>	<u>3,530,512</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025

	30 Jun 2025	30 Jun 2024
	RM '000	RM '000
Profit before taxation	23,012	85,280
Adjustments for:		
Property, plant and equipment		
- depreciation	35,066	34,870
Right-of-use assets		
- amortisation	3,939	3,938
Net allowance of impairment loss on trade receivables	542	1,390
Interest income	(5,291)	(3,807)
Net unrealised gain on foreign exchange	(2,271)	(5,123)
Changes in fair value of hedging derivatives	3,398	(24,277)
Finance cost	5,489	8,261
Operating profit before working capital changes	63,884	100,532
Inventories	(99)	(250)
Trade and other receivables	127,520	(491,293)
Trade and other payables	(35,970)	150,189
Cash generated from/(used in) operations	155,335	(240,822)
Tax paid	(895)	(839)
Net cash generated from/(used in) operating activities	154,440	(241,661)
Purchase of property, plant and equipment	(82,551)	(34,801)
Interest received	2,388	1,777
Net cash used in investing activities	(80,163)	(33,024)
Drawdown of revolving credits	40,000	219,000
Repayment of revolving credits	(40,000)	(112,000)
Interest paid on revolving credits	(225)	(1,896)
Repayment of principal on long term borrowing	(19,513)	(18,694)
Interest paid on long term borrowing	(5,097)	(6,181)
Payment of lease liabilities	(377)	(362)
Interest paid on lease liabilities	(167)	(184)
Net cash (used in)/generated from financing activities	(25,379)	79,683
Net change in cash & cash equivalents	48,898	(195,002)
Cash & cash equivalents at the beginning of the period	445,410	545,389
Cash & cash equivalents at the end of the period	494,308	350,387
Cash at banks and in hand	258,425	238,714
IFSSC bank balance	36,919	123,826
Deposits with licensed banks	211,146	29
	506,490	362,569
Less: Cash pledged with the bank - restricted	(12,182)	(12,182)
	494,308	350,387

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	<-----Attributable to equity-----> holders of the Company					Total Equity
	Share Capital	Accumulated Losses	Fair Value through OCI Reserve	Total	Non-controlling Interests	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
6 MONTHS ENDED 30 JUNE 2025						
At 1 January 2025	1,618,263	(231,061)	(7,685)	1,379,517	839	1,380,356
Total comprehensive income	-	22,293	8,150	30,443	-	30,443
At 30 June 2025	<u>1,618,263</u>	<u>(208,768)</u>	<u>465</u>	<u>1,409,960</u>	<u>839</u>	<u>1,410,799</u>
6 MONTHS ENDED 30 JUNE 2024						
At 1 January 2024	1,618,263	(352,057)	325	1,266,531	809	1,267,340
Total comprehensive income	-	84,340	(800)	83,540	53	83,593
At 30 June 2024	<u>1,618,263</u>	<u>(267,717)</u>	<u>(475)</u>	<u>1,350,071</u>	<u>862</u>	<u>1,350,933</u>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL REPORT

A1. CORPORATE INFORMATION

Malaysia Marine and Heavy Engineering Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Berhad.

These unaudited condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 21 August 2025.

A2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the period ended 30 June 2025 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Berhad. The results for this interim financial statements are unaudited and should be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the year ended 31 December 2024.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

The audited consolidated financial statements of the Group for the year ended 31 December 2024 are available upon request from the Group's registered office located at Level 31, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur. The functional currency of the Group is Ringgit Malaysia ("RM").

A3. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the financial year ending 31 December 2025 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the financial year ended 31 December 2024.

As at 1 January 2025, the Group has adopted the following revised MFRSs and Amendments to MFRSs (collectively referred to as "pronouncements") that have been issued by the MASB:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability.

The adoption of the above pronouncement has no material financial impact to the Group.

A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2024 were not subjected to any audit qualification.

A5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are subject to fluctuations in level of activities in the oil and gas, renewable and shipping industries.

A6. EXCEPTIONAL ITEMS

There were no exceptional items during the current period other than as disclosed in the condensed consolidated interim financial statements.

A7. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent audited financial statements of the Group for the year ended 31 December 2024 that may have a material effect in the current period results.

A8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities made by the Group during the period ended 30 June 2025.

A9. BORROWINGS

The tenure of Group borrowings is as follows:

	30 Jun 2025 RM '000	31 Dec 2024 RM '000
Secured - Term Loan		
Current	40,307	39,303
Non-current	201,432	221,949
	<u>241,739</u>	<u>261,252</u>

A10. SEGMENT REPORT

Segmental analysis for the current financial period is as follows:

	Heavy Engineering RM '000	Marine RM '000	Others RM '000	Eliminations RM '000	Total RM '000
REVENUE AND RESULTS					
Revenue					
External	<u>630,170</u>	<u>254,503</u>	<u>-</u>	<u>-</u>	<u>884,673</u>
Results					
Operating profit/(loss)	<u>3,710</u>	<u>28,361</u>	<u>(3,551)</u>	<u>(19) *</u>	<u>28,501</u>
Finance costs					(5,489)
Profit before taxation					<u>23,012</u>

* Inter-segment transactions are eliminated on consolidation.

A11. PROFIT FOR PERIOD

	Quarter Ended		Cumulative 6 Months Ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM '000	RM '000	RM '000	RM '000
Included in the profit for the period are the following items:				
Depreciation of property, plant and equipment	17,948	17,485	35,066	34,870
Amortisation of right-of-use assets	1,970	1,969	3,939	3,938
Changes in fair value of hedging derivatives	(1,630)	(22,785)	3,398	(24,277)
Finance cost	2,798	4,726	5,489	8,261
Net allowance/(reversal) of impairment loss on trade receivables	174	(157)	542	1,390
Rental expenses				
- Plant and machineries	1,553	5,598	4,560	11,123
- Office equipment	2,014	2,577	3,489	3,774
- Transportation	1,999	1,802	3,572	3,545
- Others	485	83	828	196
Net income from scrap disposal	(2,425)	(391)	(3,443)	(949)
Interest income	(3,484)	(2,079)	(5,291)	(3,807)
Net unrealised gain on foreign exchange	(1,653)	(2,925)	(2,271)	(5,123)
Rental income	(491)	(119)	(989)	(1,485)

A12. VALUATION OF PROPERTY

The valuations of land and buildings have been brought forward without any amendments from the most recent annual audited financial statements as no revaluation has been carried out since 31 December 2024.

A13. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the period end date.

A14. CHANGES IN THE COMPOSITION OF THE GROUP

1) Incorporation of a Jointly Controlled Entity

On 9 May 2025, Floating Production Solutions Sdn. Bhd. ("FPS") was incorporated as an indirect joint venture under the Malaysian Companies Act 2016. The incorporation was pursuant to a Shareholders' Agreement dated 19 March 2025 between Malaysia Marine and Heavy Engineering Sdn. Bhd. ("MMHE"), a wholly owned subsidiary of the Company and MISC OBU One (L) Pte. Ltd. ("MISC OBU"), an indirect wholly-owned subsidiary of MISC Berhad ("MISC"). MISC is the Company's immediate holding company. Both MMHE and MISC OBU hold equal shareholding of 50% in FPS. The principal activity of FPS is to provide competitive Engineering, Procurement, and Construction ("EPC") services to meet the demand for floating production systems in the oil and gas industry.

2) Dissolution of Subsidiaries

The following dormant subsidiary of the Company and subsidiaries of MMHE were dissolved on the dates below:-

- a) Techno Indah Sdn Bhd - 8 April 2025.
- b) MMHE International Sdn Bhd - 5 May 2025.
- c) MMHE LNG Sdn Bhd - 29 May 2025.

The dissolution of the above followed the expiration of three-month period from the date of the lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia.

The dissolutions are not expected to have any material impact on the net assets per share, earning per share or gearing of the Group for the financial year ending 31 December 2025.

A15. DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.

A16. CONTINGENT LIABILITIES

Contingent liabilities of the Group as at 30 June 2025 comprise the following:

	30 Jun 2025	31 Dec 2024
	RM '000	RM '000
Unsecured		
Bank guarantees extended to:-		
- Related companies	582,986	556,153
- Third parties	481,304	477,673
	<u>1,064,290</u>	<u>1,033,826</u>

A17. CAPITAL COMMITMENTS

	30 Jun 2025	31 Dec 2024
	RM '000	RM '000
Approved and contracted for	83,126	120,274
Approved but not contracted for	97,782	152,860
	<u>180,908</u>	<u>273,134</u>

The outstanding capital commitments relate to the infrastructure upgrading works and other capital expenditure.

A18. FAIR VALUE HIERARCHY

The Group uses the following hierarchy to determine the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

Fair value of financial instruments carried at fair value				
	Level 1	Level 2	Level 3	Total
	RM '000	RM '000	RM '000	RM '000
At 30 June 2025				
Financial asset				
Forward currency contracts	-	3,473	-	3,473
At 31 December 2024				
Financial liability				
Forward currency contracts	-	1,278	-	1,278

A18. FAIR VALUE HIERARCHY (CONTINUED)

As at the reporting date, the Group held the following financial asset and liability:

Fair value of financial instruments not carried at fair value

	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000	Carrying amount RM '000
At 30 June 2025					
Financial liability					
Term loan					
- fixed rate	-	(227,903)	-	(227,903)	(241,739)
At 31 December 2024					
Financial liability					
Term loan					
- fixed rate	-	(244,463)	-	(244,463)	(261,252)

A19. RELATED PARTY TRANSACTIONS

During the current financial period, MMHE has entered into contracts with Vestigo Petroleum Sdn. Bhd. for the provision of Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") of wellhead platforms ("WHPs").

The contracts' scope cover the execution of 3 wellhead platforms, namely Ilong Timur, Berantai East and Kurma Manis fields.

Other than the above, there were no significant transactions with related parties other than those disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2024.

B1. REVIEW OF PERFORMANCE

	Quarter Ended		Cumulative 6 Months Ended	
	30 Jun 2025 RM '000	30 Jun 2024 RM '000	30 Jun 2025 RM '000	30 Jun 2024 RM '000
Revenue				
Heavy Engineering	309,970	809,454	630,170	1,678,540
Marine	121,603	90,571	254,503	205,954
	<u>431,573</u>	<u>900,025</u>	<u>884,673</u>	<u>1,884,494</u>
Results				
Heavy Engineering	1,497	67,699	3,710	67,982
Marine	10,974	9,131	28,361	22,925
Others	675	2,275	(3,551)	2,653
Eliminations/Adjustments *	(10)	(10)	(19)	(19)
Operating profit	<u>13,136</u>	<u>79,095</u>	<u>28,501</u>	<u>93,541</u>
Finance cost	(2,798)	(4,726)	(5,489)	(8,261)
Profit before taxation	<u>10,338</u>	<u>74,369</u>	<u>23,012</u>	<u>85,280</u>

* Inter-segment transactions are eliminated on consolidation.

B1. REVIEW OF PERFORMANCE (CONTINUED)

Performance of current quarter against the quarter ended 30 June 2024 (corresponding quarter)

The Group recorded a revenue of RM431.6 million for the current quarter, representing a decrease of RM468.4 million compared to the corresponding quarter. The decline was mainly attributable to lower revenue from the Heavy Engineering segment.

In line with the lower revenue, the Group reported an operating profit of RM13.1 million, a reduction of RM66.0 million compared to RM79.1 million in the same quarter last year. The decline in profit was primarily driven by the lower contribution from the Heavy Engineering segment.

Segmental review of performance against the corresponding quarter is as follows:

Heavy Engineering

The Heavy Engineering segment registered a revenue of RM310.0 million for the current quarter, lower by RM499.5 million from RM809.5 million revenue recorded in the corresponding quarter. The reduction in revenue was mainly due to projects approaching completion as well as newly secured projects were still in the early stages of execution.

The segment recorded an operating profit of RM1.5 million, compared to an operating profit of RM67.7 million in the corresponding quarter. The decline in the operating profit was mainly attributable to lower level of project activities, as new projects were at the beginning phases while the operating profit reported in the corresponding quarter was mainly due to the cost reimbursement from client.

Marine

Revenue of RM121.6 million in the current quarter was RM31.0 million higher against the corresponding quarter as a result of higher vessel conversion and repair activities.

In tandem with the higher revenue, the segment posted an operating profit of RM11.0 million in the current quarter, RM1.9 million higher compared to an operating profit of RM9.1 million in the corresponding quarter.

Share of results of joint ventures

The Group has not recorded any share of profit in joint ventures in the current quarter as most joint ventures have become dormant.

Performance of current period against financial period ended 30 June 2024 (corresponding period)

The Group recorded revenue of RM884.7 million, reflecting a decrease of RM999.8 million from RM1,884.5 million reported in the corresponding period. The decline was due to lower revenue contribution from the Heavy Engineering segment.

Consequently, the Group's operating profit decreased to RM28.5 million, down from RM93.5 million in the corresponding period.

Analysis of segmental performance against the corresponding period is as follows:-

B1. REVIEW OF PERFORMANCE (CONTINUED)

Heavy Engineering

The Heavy Engineering segment recorded revenue of RM630.2 million for the current period, a significant decrease from RM1,678.5 million reported in the corresponding period. The decline was primarily due to projects nearing completion as well as newly secured projects were still in the early stages of execution.

At the operating profit level, the segment recorded a profit of RM3.7 million, a significant decrease from the RM68.0 million reported in the same period last year. The decline in the current period's operating profit was primarily attributed to the lower level of project activities as new projects were at the beginning phases. In contrast, the operating profit in the corresponding period was driven by the cost reimbursement from client.

Marine

The segment recorded revenue of RM254.5 million in the current period, representing an increase of RM48.5 million from RM206.0 million in the corresponding period. This improvement was largely supported by the higher vessel conversion and repair activities.

Operating profit for the segment rose to RM28.4 million from RM22.9 million reported in the corresponding period, mainly attributable to the higher revenue generated during the period.

Share of results of joint ventures

The Group has not recorded any share of profit in joint ventures in the current period as most joint ventures have become dormant.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Quarter Ended	
	30 Jun 2025	31 Mar 2025
	RM '000	RM '000
Revenue		
Heavy Engineering	309,970	320,200
Marine	121,603	132,900
	<u>431,573</u>	<u>453,100</u>
Results		
Heavy Engineering	1,497	2,213
Marine	10,974	17,387
Others	675	(4,226)
Eliminations/Adjustments	(10)	(9)
Operating profit	<u>13,136</u>	<u>15,365</u>
Finance cost	(2,798)	(2,691)
Profit before taxation	<u>10,338</u>	<u>12,674</u>

The Group posted lower revenue of RM431.6 million compared to preceding quarter's revenue of RM453.1 million mainly combined by the lower revenue from both segments. Heavy Engineering segment recorded lower revenue as most of the on-going projects nearing completion, while new projects are still at early stages. Revenue for the marine segment also dropped mainly due to lower vessel conversion activities.

In tandem with the decline in revenue, the Group recorded an operating profit of RM13.1 million for the current quarter, representing a decrease of RM2.2 million from the operating profit of RM15.4 million reported in the preceding quarter.

B3. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 Jun 2025 RM '000	As at 31 Dec 2024 RM '000	Variance %
Total assets	3,501,369	3,530,512	-0.8%
Total equity attributable to equity holders of the Company	1,409,960	1,379,517	2.2%
Total liabilities	2,090,570	2,150,156	-2.8%

The Group's total assets, which primarily comprise property, plant and equipment, receivables and cash and bank balances, decreased by RM29.1 million during the financial period. The decline was mainly due to a reduction in trade and other receivables of RM125.2 million. The amount was partially offset by the increased cash and bank balances and property, plant and equipment amounting to RM48.9 million and RM47.5 million respectively.

Total equity attributable to equity holders increased by RM30.4 million, due to comprehensive income recognised during the period.

The Group's total liabilities decreased by RM59.6 million, primarily due to the decrease in payables and borrowings of RM38.2 million and RM19.5 million respectively.

B4. REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative 6 Months Ended 30 Jun 2025 RM '000	30 Jun 2024 RM '000	Variance %
Net cash generated from/(used in) operating activities	154,440	(241,661)	>100%
Net cash used in investing activities	(80,163)	(33,024)	>100%
Net cash (used in)/generated from financing activities	(25,379)	79,683	>100%
Net change in cash & cash equivalents	48,898	(195,002)	>100%

The Group recorded net cash generated from operating activities of RM154.4 million compared to net cash used in operating activities of RM241.7 million in the prior period primarily driven by increased collections from debtors. This was partially offset by payments to vendors, but the overall net impact was positive, reflecting more efficient working capital management during the period.

The Group recorded net cash used in investing activities amounting to RM80.2 million compared to RM33.0 million in the corresponding period mainly due to higher purchases of property, plant and equipment during the current period.

The Group recorded net cash used in financing activities amounting to RM25.4 million in the current period, in contrast to net cash generated from financing activities of RM79.7 million in the corresponding period. The variance was mainly due to net repayments of term loan during the current period, whereas the corresponding period included net cash inflow from drawdowns of revolving credit facilities.

B5. CURRENT YEAR PROSPECTS

The escalating trade tensions and prolonged geopolitical uncertainties and policy changes including fiscal and monetary measures continue to weigh on investment sentiment, disrupting global supply chains and trade flows, and may exert upward pressure on project costs. Bearing these circumstances, the Group remains cognisant of the project delivery challenges that may arise from the current macroeconomic environment.

Nevertheless, the Heavy Engineering segment remains supported by a stable order book and ongoing opportunities in the new energy sector. The segment will continue to build a well-balanced portfolio by strengthening its foothold in conventional energy projects while progressively expanding into new energy projects. Ensuring project execution excellence remains a key priority to ensure timely and efficient project delivery.

In parallel, the Marine segment continues to deliver stable performance, supported by a steady flow of vessel repair and conversion contracts as well as a growing number of vessels from international clients for repair works. The segment remains focused on enhancing yard capabilities and optimising operations, while remaining vigilant of evolving regulations, policy changes and the need for continuous yard modernisation to sustain long-term competitiveness.

B6. PROFIT FORECAST AND PROFIT GUARANTEE

The Group did not provide any profit forecast or profit guarantee in any public document.

B7. TAXATION

	30 Jun 2025 RM '000	30 Jun 2024 RM '000
Taxation for the period comprises the following:		
the following:		
Income tax		
- current period	(719)	(887)
	<u>(719)</u>	<u>(887)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% on the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B8. CHANGES IN MATERIAL LITIGATION

1) MMHE and Kebabangan Petroleum Operating Company Sdn Bhd ("KPOC")

On 13 March 2019, MMHE received a notice of arbitration from KPOC in relation to claims arising from the Kebabangan ("KBB") field project. KPOC claimed that MMHE was in breach of contract in respect of matters relating to supply of certain valves. The valves procured by MMHE were claimed to be defective and that KPOC suffered substantial loss and damage.

Pursuant to the Statement of Claim by KPOC dated 13 October 2019, total claims of approximately RM93.1 million were made in relation to loss and damage in respect of the valves procured by MMHE. KPOC, subsequently, as part of its Closing Submissions dated 9 March 2021, identified its claim amount as RM58.9 million.

By way of Final Award dated 23 July 2021 that was made available to MMHE on 3 August 2021 ("Final Award"), the Arbitral Tribunal has ordered that MMHE shall pay KPOC the following:-

- The sum of RM17,241,178 as damages for the expenses incurred by KPOC for assessment, procurement and replacement of valves in the period of 2016 to 2019, together with interest at the rate of 5% per annum from 11 October 2019 to the date of payment;
- The sum of RM9,820,770 as damages suffered by KPOC in having to procure 1,365 valves and install 1,454 valves in the future, together with interest at the rate of 5% per annum from 11 October 2019 till the date of payment; and
- The sum of RM1,029,167 for its legal fees and expenses.

B8. CHANGES IN MATERIAL LITIGATION (CONTINUED)

1) MMHE and Kebabangan Petroleum Operating Company Sdn Bhd ("KPOC") (Continued)

In the Final Award, the Arbitral Tribunal dismissed all of KPOC's claim for loss of revenue in the sum of RM28,030,906.

On 30 September 2021, MMHE filed an application to set aside the Final Award pursuant to Section 37 of the Arbitration Act 2005, whereby MMHE seeks for the Final Award to be set aside on grounds, amongst others, that there was a breach of the rules of natural justice in connection with the making of the Final Award. KPOC, in this regard, has filed an application to seek leave from the High Court to register and enforce the Final Award as a Judgment of the High Court (collectively, "Applications").

The Applications were heard by the High Court on 15 April 2022 and 20 May 2022. After the completion of the Hearing, the matter proceeded for Clarification on 21 July 2022.

On 30 August 2022, the High Court allowed MMHE's application to set aside the Final Award pursuant to Section 37 of the Arbitration Act 2005, amongst others, on grounds that there was a breach of the rules of natural justice in connection with the making of the Final Award with costs in favour of MMHE for the sum of RM30,000 and further dismissed KPOC's application for leave to register and enforce the Final Award as a Judgment of the High Court with the costs to MMHE of RM10,000.

On 27 September 2022, KPOC lodged Notices of Appeal at the Court of Appeal against the Orders of the High Court dated 30 August 2022. KPOC was instructed to obtain the Grounds of Judgment from the High Court, which was made available on 5 September 2023. In light of the above, at the last case management on 16 October 2023, the Court of Appeal fixed KPOC's Appeals for Hearing on 11 July 2024.

On 11 July 2024, the Hearing of the Appeals were adjourned by the Court of Appeal and the Appeals were instead scheduled for a case management on 12 July 2024, to fix a new Hearing date. On 12 July 2024, the Court of Appeal fixed KPOC's Appeals for Hearing on 9 December 2024. On 9 December 2024, the Court of Appeal heard the Appeals and fixed 24 January 2025 to deliver the decision thereof.

On 24 January 2025, the Court of Appeal dismissed the Appeals with a total cost of RM65,000 to be paid by KPOC to MMHE.

On 24 February 2025, MMHE have received a sealed copy of Notice of Motion together with affidavit in support against the dismissal of each Appeal, being KPOC's applications seeking leave to appeal to the Federal Court against the decision of the Court of Appeal given on 24 January 2025 in respect of both Appeals.

On 17 June 2025, the Federal Court unanimously dismissed KPOC's leave applications with a total cost of RM30,000 to be paid by KPOC to MMHE. The amount has been fully received and settled.

2) MMHE and Trans Fame Offshore Sdn Bhd ("TFO")

On 15 April 2025 MMHE received a Notice of Arbitration dated 11 April 2025 ("the Arbitration") from the solicitors for Haumea Offshore Sdn Bhd (previously known as TFO in relation to claims arising from Subcontract No. 3900007170 titled "Hook-up And Commissioning Works And Marine Vessels For Bokor Phase 3 Redevelopment Project (Package A)" (hereinafter referred to as "the Subcontract").

Under the Subcontract, TFO was appointed by MMHE as its subcontractor to provide Hook-up and Commissioning ("HUC") works, including marine vessels, for the Bokor Phase 3 Redevelopment Project ("the Works"). In the Notice of Arbitration, TFO claims that there were disputes between it and MMHE under the Subcontract in relation to its performance of the Works. TFO has included an indicative amount of its alleged loss as part of the Notice of Arbitration, at approximately RM57.3 million, including interest, costs and/or other reliefs.

On 20 May 2025, the High Court of Johor Bahru granted an ex-parte injunction in favour of MMHE, restraining TFO from registering the Notice of Arbitration ("NOA"), commencing or proceeding with arbitration in connection with the said Notice pending the determination by the High Court of its validity.

B8. CHANGES IN MATERIAL LITIGATION (CONTINUED)

2) MMHE and Trans Fame Offshore Sdn Bhd) ("TFO") (Continued)

Court has proceeded with the inter-parte hearing of the interim injunction application on 3 July 2025 and fixed the decision on 5 August 2025. The court also on the same date fixed for case management to MMHE's Originating Summons on:

- a) A declaration that the NOA is invalid, premature and wrong in law; and
- b) An injunction to restrain Haumea from registering, proceeding and/or commencing any arbitration proceedings in relation to the NOA.

On 5 August 2025, the High Court of Johor Bahru allowed TFO's application to set aside MMHE's ex-parte injunction and dismissed MMHE's injunction with the cost of RM10,000 awarded to TFO. The High Court fixed the hearing of MMHE's Originating Summons ("OS") on 11 September 2025 to seek a declaration that TFO's Notice of Arbitration is invalid.

On 21 August 2025, MMHE had filed the Notice of Appeal against the High Court's decision delivered on 5 August 2025.

B9. DERIVATIVES

Details of the Group's derivative financial instruments outstanding as at 30 June 2025 are as follows:

	Contract/ Notional Amount as at 30 Jun 2025 (in RM '000)	Fair Value Asset (in RM '000)
Forward foreign currency contracts	259,988	3,473

During the period, the Group recognised a net unrealised derivatives gain of RM8,150,000 in its equity and RM3,398,000 in profit or loss for the effective and ineffective portion respectively, in relation to the fair value of the cash flow hedges.

B10. PROFIT PER SHARE

	Quarter Ended		Cumulative 3 Months Ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
Basic profit per share is computed as follows:				
Profit for the period attributable to equity holders of the Company (RM '000)	10,055	73,917	22,293	84,340
Weighted average number of ordinary shares in issue (thousand)	1,600,000	1,600,000	1,600,000	1,600,000
Basic profit per share (sen)	0.6	4.6	1.4	5.3

The Group does not have any financial instrument which may dilute its basic earnings per share.

B11. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There were no outstanding corporate proposals submitted by the Group for the period ended 30 June 2025.

B12. TRADE AND OTHER RECEIVABLES

	30 Jun 2025	31 Dec 2024
	RM '000	RM '000
Current		
Trade receivables		
Third parties	83,400	114,770
Related companies	81,137	182,460
Amount due from customers on contracts	<u>976,684</u>	<u>970,629</u>
	<u>1,141,221</u>	<u>1,267,859</u>
Other receivables	22,354	20,335
Less: Allowance for impairment losses	<u>(35,024)</u>	<u>(34,482)</u>
	<u>1,128,551</u>	<u>1,253,712</u>
Trade and other receivables	<u><u>1,128,551</u></u>	<u><u>1,253,712</u></u>

Credit terms of trade and other receivables for the Group, including trade receivables from related companies and amounts due from joint venture range from 30 days to 60 days.

The ageing of trade receivables (excluding amount due from customers on contracts) as at reporting date are as follows:

	30 Jun 2025	31 Dec 2024
	RM '000	RM '000
Neither past due nor impaired	97,628	234,361
1 to 30 days past due not impaired	37,031	23,254
31 to 60 days past due not impaired	1,028	9,024
61 to 90 days past due not impaired	-	496
More than 90 days past due not impaired	<u>-</u>	<u>1,959</u>
	<u>135,687</u>	<u>269,094</u>
Impaired	<u>28,850</u>	<u>28,136</u>
Trade receivables	<u><u>164,537</u></u>	<u><u>297,230</u></u>