

QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2025

The figures have not been audited

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	QUARTER ENDED		YEAR ENDED	
	31 Dec 2025 RM '000	31 Dec 2024 RM '000	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Revenue	581,729	817,610	1,976,263	3,608,561
Other operating income	15,465	16,685	26,483	43,500
Operating profit	55,848	26,730	115,996	141,044
Finance cost	(2,966)	(4,700)	(11,478)	(17,776)
Profit before taxation	52,882	22,030	104,518	123,268
Taxation	(585)	(657)	(1,729)	(2,242)
Profit after taxation	52,297	21,373	102,789	121,026
Other comprehensive income/(loss):				
<u>Items that may be reclassified to profit or loss in subsequent period/year</u>				
Fair value (loss)/gain on cash flow hedges	(1,160)	(47,856)	6,451	(8,010)
Total comprehensive income/(loss) for the period/year	51,137	(26,483)	109,240	113,016
Profit attributable to:				
Equity holders of the Company	52,297	21,382	102,856	120,996
Non-controlling interests	-	(9)	(67)	30
	52,297	21,373	102,789	121,026
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	51,137	(26,474)	109,307	112,986
Non-controlling interests	-	(9)	(67)	30
	51,137	(26,483)	109,240	113,016
Profit per share attributable to equity holders of the Company:				
(i) Basic (sen)	3.3	1.3	6.4	7.6
(ii) Dilutive (sen)	3.3	1.3	6.4	7.6

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Non-current assets		
Property, plant and equipment	1,627,047	1,534,988
Right-of-use assets	179,953	187,480
Investment in joint ventures	57	57
Deferred tax assets	94,233	94,047
	<u>1,901,290</u>	<u>1,816,572</u>
Current assets		
Inventories	3,314	2,637
Trade and other receivables	182,147	284,360
Contract assets	588,060	969,352
Tax recoverable	103	-
Cash and bank balances	458,033	457,591
	<u>1,231,657</u>	<u>1,713,940</u>
TOTAL ASSETS	<u>3,132,947</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	(1,234)	(7,685)
Accumulated losses	(128,205)	(231,061)
	<u>1,488,824</u>	<u>1,379,517</u>
Non-controlling interests	772	839
Total equity	<u>1,489,596</u>	<u>1,380,356</u>
Non-current liabilities		
Borrowing	181,014	221,949
Lease liabilities	6,211	6,479
	<u>187,225</u>	<u>228,428</u>
Current liabilities		
Trade and other payables	1,274,715	1,723,515
Contract liabilities	108,579	156,409
Borrowings	70,936	39,303
Lease liabilities	657	753
Derivatives	1,239	1,278
Tax payable	-	470
	<u>1,456,126</u>	<u>1,921,728</u>
Total liabilities	<u>1,643,351</u>	<u>2,150,156</u>
TOTAL EQUITY AND LIABILITIES	<u>3,132,947</u>	<u>3,530,512</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025	31 Dec 2024
	RM '000	RM '000
Profit before taxation	104,518	123,268
Adjustments for:		
Depreciation of property, plant and equipment	72,800	70,317
Write-offs of property, plant and equipment	50	14,287
Amortisation of right-of-use assets	7,865	7,877
Net loss on lease modifications	72	-
Net reversal of impairment loss on trade receivables	(1,877)	(1,302)
Interest income	(13,633)	(10,555)
Net unrealised loss on foreign exchange	11,205	5,521
Changes in fair value of hedging derivatives	6,412	(32,780)
Finance cost	11,478	17,776
Net change in provision for foreseeable losses	(6,741)	43,394
Operating profit before working capital changes	<u>192,149</u>	<u>237,803</u>
Inventories	(677)	178
Trade and other receivables, and contract assets	473,905	33,091
Trade and other payables, and contract liabilities	<u>(490,238)</u>	<u>(145,221)</u>
Cash generated from operations	175,139	125,851
Tax paid	<u>(2,488)</u>	<u>(1,724)</u>
Net cash generated from operating activities	<u>172,651</u>	<u>124,127</u>
Purchase of property, plant and equipment	(164,909)	(111,894)
Interest received	13,633	10,555
Proceeds from voluntary liquidation of a joint venture	-	1,459
Net cash used in investing activities	<u>(151,276)</u>	<u>(99,880)</u>
Drawdown of revolving credits	205,000	244,000
Repayment of revolving credits	(175,000)	(312,000)
Interest paid on revolving credits	(766)	(5,283)
Repayment of principal on long term borrowing	(39,302)	(37,718)
Interest paid on long term borrowing	(10,041)	(12,135)
Payment of lease liabilities	(1,096)	(1,091)
Net cash used in financing activities	<u>(21,205)</u>	<u>(124,227)</u>
Net change in cash & cash equivalents	170	(99,980)
Cash & cash equivalents at the beginning of the year	445,409	545,389
Cash & cash equivalents at the end of the year	<u>445,579</u>	<u>445,409</u>
Cash at banks and in hand	74,917	217,412
IFSSC bank balance	153,299	121,236
Deposits with licensed banks	<u>229,817</u>	<u>118,943</u>
	458,033	457,591
Less: Cash pledged with the bank - restricted	<u>(12,454)</u>	<u>(12,182)</u>
	<u>445,579</u>	<u>445,409</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	-----Attributable to equity----->					Total Equity
	holders of the Company			Total	Non-controlling Interests	
	Share Capital	Accumulated Losses	Fair Value through OCI Reserve			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
YEAR ENDED 31 DECEMBER 2025						
At 1 January 2025	1,618,263	(231,061)	(7,685)	1,379,517	839	1,380,356
Total comprehensive income/(loss)	-	102,856	6,451	109,307	(67)	109,240
At 31 December 2025	1,618,263	(128,205)	(1,234)	1,488,824	772	1,489,596
YEAR ENDED 31 DECEMBER 2024						
At 1 January 2024	1,618,263	(352,057)	325	1,266,531	809	1,267,340
Total comprehensive income/(loss)	-	120,996	(8,010)	112,986	30	113,016
At 31 December 2024	1,618,263	(231,061)	(7,685)	1,379,517	839	1,380,356

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 February 2026.

A2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the year ended 31 December 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 ended 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 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 year 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 year 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 year ended 31 December 2025.

A9. BORROWINGS

The tenure of Group borrowings is as follows:

	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Non-current		
Secured - Term loan	181,014	221,949
	<u>181,014</u>	<u>221,949</u>
Current		
Secured - Term loan	40,936	39,303
Unsecured - Revolving credit	30,000	-
	<u>70,936</u>	<u>39,303</u>
Total Borrowings	<u>251,950</u>	<u>261,252</u>

A10. SEGMENT REPORT

Segmental analysis for the current financial year 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>1,415,785</u>	<u>560,478</u>	<u>-</u>	<u>-</u>	<u>1,976,263</u>
Results					
Operating profit/(loss)	<u>71,390</u>	<u>63,131</u>	<u>(18,487)</u>	<u>(38) *</u>	<u>115,996</u>
Finance costs					(11,478)
Profit before taxation					<u>104,518</u>

* Inter-segment transactions are eliminated on consolidation.

A11. PROFIT FOR THE PERIOD/YEAR

	Quarter Ended		Year Ended	
	31 Dec 2025 RM '000	31 Dec 2024 RM '000	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Included in the profit for the period/year are the following items:				
Depreciation of property, plant and equipment	19,267	18,020	72,800	70,317
Write-offs of property, plant and equipment	50	14,287	50	14,287
Amortisation of right-of-use assets	1,957	1,970	7,865	7,877
Net loss on lease modifications	72	-	72	-
Net unrealised loss/(gain) on foreign exchange	7,558	(3,654)	11,205	5,521
Changes in fair value of hedging derivatives	(43)	(6,419)	6,412	(32,780)
Finance cost	2,966	4,700	11,478	17,776
Net (reversal)/allowance of impairment loss on receivables	(1,968)	116	(1,877)	(1,302)
Rental expenses				
- Plant and machineries	4,178	1,979	11,426	19,062
- Office equipment	668	906	5,410	6,741
- Transportation	2,879	773	8,305	5,780
- Others	1,088	379	1,506	716
Net income from scrap disposal	(982)	(6,017)	(6,120)	(10,211)
Interest income	(4,703)	(3,641)	(13,633)	(10,555)
Rental income	(528)	(5,101)	(1,992)	(7,070)
Net change in provision for foreseeable losses	(6,741)	43,394	(6,741)	43,394

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 year 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.

A14. CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

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 has no material impact on the net assets per share, earning per share or gearing of the Group for the financial year ended 31 December 2025.

A15. DISCONTINUED OPERATIONS

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

A16. CAPITAL COMMITMENTS

	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Approved and contracted for	39,150	120,274
Approved but not contracted for	217,124	152,860
	<u>256,274</u>	<u>273,134</u>

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

A17. 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

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

	Fair value of financial instruments carried at fair value			
	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000
At 31 December 2025				
Financial liability				
Forward currency contracts	-	1,239	-	1,239
At 31 December 2024				
Financial liability				
Forward currency contracts	-	1,278	-	1,278

A17. FAIR VALUE HIERARCHY (CONTINUED)

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 31 December 2025					
Financial liability					
Term loan					
- fixed rate	-	(210,058)	-	(210,058)	(221,950)
At 31 December 2024					
Financial liability					
Term loan					
- fixed rate	-	(244,463)	-	(244,463)	(261,252)

A18. RELATED PARTY TRANSACTIONS

During the current financial year, 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 Irong 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		Year Ended	
	31 Dec 2025 RM '000	31 Dec 2024 RM '000	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Revenue				
Heavy Engineering	391,851	708,141	1,415,785	3,186,592
Marine	189,878	109,469	560,478	421,969
	<u>581,729</u>	<u>817,610</u>	<u>1,976,263</u>	<u>3,608,561</u>
Results				
Heavy Engineering	39,930	22,588	71,390	110,109
Marine	25,219	7,021	63,131	40,963
Others	(9,291)	(2,816)	(18,487)	(9,937)
Eliminations/adjustments *	(10)	(63)	(38)	(91)
Operating profit	<u>55,848</u>	<u>26,730</u>	<u>115,996</u>	<u>141,044</u>
Finance cost	(2,966)	(4,700)	(11,478)	(17,776)
Profit before taxation	<u>52,882</u>	<u>22,030</u>	<u>104,518</u>	<u>123,268</u>

* Inter-segment transactions are eliminated on consolidation.

B1. REVIEW OF PERFORMANCE (CONTINUED)

Performance of current quarter against the quarter ended 31 December 2024 (corresponding quarter)

The Group recorded a revenue of RM581.7 million for the current quarter, lower by RM235.9 million compared to the corresponding quarter mainly attributable to lower revenue from the Heavy Engineering segment.

Despite lower revenue, the Group reported an operating profit of RM55.8 million, an increase of RM29.1 million compared to RM26.7 million in the same quarter last year. The increase in profit was primarily driven by the higher contribution from both segments.

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

Heavy Engineering

The Heavy Engineering segment registered a revenue of RM391.9 million for the current quarter, lower by RM316.3 million from RM708.1 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 at the early fabrication stage.

The segment recorded an operating profit at RM39.9 million, compared to an operating profit of RM22.6 million in the corresponding quarter, notwithstanding the lower revenue. The improvement in the operating profit was mainly attributable to the favourable outcome from the completed projects' close out.

Marine

Revenue of RM189.9 million in the current quarter was RM80.4 million higher against the corresponding quarter as a result of higher vessel conversion activities.

In tandem with the higher revenue, the segment recorded an operating profit of RM25.2 million in the current quarter, RM18.2 million higher compared to an operating profit of RM7.0 million in the same quarter last year.

Share of results of joint ventures

The Group has not recorded any share of profit in joint ventures in the current quarter as two joint ventures remain dormant while the newly incorporated joint venture has not yet commenced operation.

Performance of current year against financial year ended 31 December 2024 (corresponding year)

The Group recorded revenue of RM1,976.3 million, reflecting a decrease of RM1,632.7 million from RM3,608.9 million reported in the corresponding year. The lower revenue was due to lower contribution from the Heavy Engineering segment.

Consequently, the Group's operating profit decreased to RM116.0 million from RM141.0 million in the corresponding year.

Analysis of segmental performance against the corresponding year is as follows:

Heavy Engineering

The Heavy Engineering segment recorded revenue of RM1,415.8 million for the current year, a decrease from RM3,186.6 million reported in the corresponding year. The lower revenue was primarily due to projects nearing completion as well as newly secured projects were still in the early stages of fabrication work.

At the operating profit level, the segment recorded a profit of RM71.4 million, a decrease from the RM110.1 million reported last year. The lower 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 year was driven by the cost reimbursement from client.

B1. REVIEW OF PERFORMANCE (CONTINUED)

Marine

The segment recorded revenue of RM560.5 million in the current year, representing an increase of RM138.5 million from RM422.0 million in the corresponding year. This improvement was largely supported by the higher vessel conversion and LNG repair activities.

Operating profit for the segment rose to RM63.1 million from RM41.0 million reported in the corresponding year, mainly attributable to the higher revenue generated during the year.

Share of results of joint ventures

The Group has not recorded any share of profit in joint ventures in the current year as two joint ventures remain dormant while the newly incorporated joint venture has not yet commenced operation.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Quarter Ended	
	31 Dec 2025 RM '000	30 Sep 2025 RM '000
Revenue		
Heavy Engineering	391,851	393,764
Marine	189,878	116,097
	<u>581,729</u>	<u>509,861</u>
Results		
Heavy Engineering	39,930	27,750
Marine	25,219	9,551
Others	(9,291)	(5,645)
Eliminations/adjustments	(10)	(9)
Operating profit	<u>55,848</u>	<u>31,647</u>
Finance cost	(2,966)	(3,023)
Profit before taxation	<u>52,882</u>	<u>28,624</u>

The Group recorded a higher revenue of RM581.7 million for the current quarter, compared to RM509.9 million in the preceding quarter. This increase was primarily driven by the Marine segment, which contributed stronger revenue arising from higher conversion activities.

In line with the improved revenue from the Marine segment, coupled with the favourable outcome from the completed projects' close out within the Heavy Engineering segment, the Group achieved an operating profit of RM55.8 million for the current quarter. This represents an improvement of RM24.2 million compared to the operating profit of RM31.6 million recorded in the preceding quarter.

B3. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 Dec 2025 RM '000	As at 31 Dec 2024 RM '000	Variance %
Total assets	3,132,947	3,530,512	-11%
Total equity attributable to equity holders of the Company	1,488,824	1,379,517	8%
Total liabilities	1,643,351	2,150,156	-24%

The Group's total assets, which primarily comprise of property, plant and equipment, receivables and cash and bank balances, decreased by RM397.6 million during the financial year. The decline was mainly due to a reduction in contract assets of RM381.3 million and trade and other receivables of RM102.2 million. The amount was partially offset by the increased property, plant and equipment amounting to RM92.1 million.

Total equity attributable to equity holders increased by RM109.3 million, due to comprehensive income recognised during the year.

The Group's total liabilities decreased by RM506.8 million, primarily due to the decrease in trade and other payables of RM448.8 million and contract liabilities of RM47.8 million.

B4. REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended		
	31 Dec 2025 RM '000	31 Dec 2024 RM '000	Variance %
Net cash generated from operating activities	172,651	124,127	39%
Net cash used in investing activities	(151,276)	(99,880)	-52%
Net cash used in from financing activities	(21,205)	(124,227)	83%
Net change in cash & cash equivalents	170	(99,980)	>100%

The Group recorded net cash generated from operating activities of RM172.7 million in the current year improved by RM48.5 million compared to RM124.1 million in the prior year primarily driven by increased collections from trade and other receivables. This was partially offset by payments to payables, but the overall net impact was positive, reflecting more efficient working capital management during the year.

The Group recorded net cash used in investing activities amounting to RM151.3 million compared to RM99.9 million in the corresponding year mainly due to higher purchases of property, plant and equipment during the current year.

The Group recorded net cash used in financing activities amounting to RM21.2 million for the current year, a reduction from RM124.2 million in the corresponding year. This variance was primarily attributable to the net withdrawal of revolving credit facilities amounting to RM30.0 million during the current year, compared to a net repayment of RM68.0 million in the corresponding year.

B5. CURRENT YEAR PROSPECTS

The operating environment in FY2026 is expected to remain volatile, driven by the ongoing geopolitical landscape and tariff uncertainties. In addition, the delays in energy transition agenda may influence energy and marine activities, while robust floaters demand is anticipated to present potential opportunities for the Group.

Against this backdrop, the Heavy Engineering segment will continue to prioritise disciplined project execution, with stronger emphasis on safety and delivery. While opportunities within the energy sector remain available, the segment will be selective in pursuing new projects across both conventional and new energy sectors, domestically and internationally, with continued focus on maintaining a well-balanced portfolio and addressing operational challenges.

Meanwhile, supported by a well-established market position and a proven project delivery track record, the Marine segment is well positioned to deliver stable performance and is expected to continue contributing positively to the Group, despite a competitive and uncertain market environment. Ongoing regional demand for repair, maintenance, and conversion activities is expected to support activity levels, underpinned by strong project management capabilities and enhanced operational efficiency. Continued enhancements in project delivery, collaboration and client engagement will further strengthen the segment's competitive position and support long-term growth.

B6. PROFIT FORECAST AND PROFIT GUARANTEE

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

B7. TAXATION

	31 Dec 2025 RM '000	31 Dec 2024 RM '000
Taxation for the year comprises the following:		
Income tax		
- current year	(2,842)	(2,948)
- prior year	918	(48)
Deferred tax	195	754
	<u>(1,729)</u>	<u>(2,242)</u>

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

B8. CHANGES IN MATERIAL LITIGATION

1) MMHE and Haumea Offshore Sdn Bhd ("Haumea")

On 15 April 2025 MMHE received a Notice of Arbitration dated 11 April 2025 ("the Arbitration") from the solicitors for Haumea Offshore Sdn Bhd (formerly known as Trans Fame Offshore Sdn Bhd) 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, Haumea was appointed by MMHE as the 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, Haumea claims that there were disputes between Haumea and MMHE under the Subcontract in relation to Haumea's performance of the Works. Haumea 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 Haumea from registering the Notice of Arbitration ("NOA"), commencing or proceeding with arbitration in connection with the said NOA pending the determination by the High Court of its validity.

B8. CHANGES IN MATERIAL LITIGATION (CONTINUED)

The High 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 ("OS")

- 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 Haumea's application to set aside MMHE's ex-parte injunction with cost of RM10,000 and on 27 October 2025 allowed Haumea's application to set aside MMHE's OS with cost of RM10,000 subject to allocatur fees. MMHE had filed Notices of Appeal against both decisions.

Following the High Court's decision on the OS, Haumea may proceed with the arbitral proceedings under the Notice of Arbitration. Nevertheless, in the event MMHE's appeal against the High Court's decision is allowed by the Court of Appeal, the arbitral proceedings, if any, commenced under the Notice of Arbitration, would be rendered null and void.

B9. DERIVATIVES

Details of the Group's derivative financial instruments outstanding as at 31 December 2025 are as follows:

	Contract/ Notional Amount as at 31 Dec 2025 (in RM '000)	Fair Value Asset (in RM '000)
Forward foreign currency contracts	162,069	(1,239)

During the year, the Group recognised a net unrealised derivatives gain of RM6,451,000 in its equity and net unrealised loss of RM6,412,000 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		Year Ended	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Basic profit per share is computed as follows:				
Profit for the period/year attributable to equity holders of the Company (RM '000)	52,297	21,382	102,856	120,996
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)	<u>3.3</u>	<u>1.3</u>	<u>6.4</u>	<u>7.6</u>

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 year ended 31 December 2025.

B12. TRADE AND OTHER RECEIVABLES

	31 Dec 2025	31 Dec 2024
	RM '000	RM '000
Current		
Trade receivables		
Third parties	152,841	114,770
Related companies	<u>49,353</u>	<u>182,460</u>
	202,194	297,230
Other receivables	11,716	20,335
Less: Allowance for impairment losses	<u>(31,763)</u>	<u>(33,205)</u>
	<u>182,147</u>	<u>284,360</u>
Trade and other receivables	<u><u>182,147</u></u>	<u><u>284,360</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:

	31 Dec 2025	31 Dec 2024
	RM '000	RM '000
Neither past due nor impaired	138,876	234,361
1 to 30 days past due not impaired	18,966	23,254
31 to 60 days past due not impaired	7,508	9,024
61 to 90 days past due not impaired	7,146	496
More than 90 days past due not impaired	<u>2,569</u>	<u>1,959</u>
	175,065	269,094
Impaired	<u>27,129</u>	<u>28,136</u>
Trade receivables	<u><u>202,194</u></u>	<u><u>297,230</u></u>