**MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD**
***(Registration No.: 198901001515 (178821-X))***



**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2026
The figures have not been audited

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2026**

| | **QUARTER ENDED** | | **CUMULATIVE 6 MONTHS ENDED** | |
|---|---|---|---|---|
| | **30 June 2026** | **30 June 2025** | **30 June 2026** | **30 June 2025** |
| | **RM '000** | **RM '000** | **RM '000** | **RM '000** |
| Revenue | 986,729 | 431,573 | 1,508,661 | 884,673 |
| Other operating income | 20,587 | 12,761 | 38,540 | 8,433 |
| **Operating profit** | **67,371** | **13,136** | **85,436** | **28,501** |
| Finance cost | (4,805) | (2,798) | (8,176) | (5,489) |
| Share of results of a joint venture | (1,390) | - | (1,390) | - |
| **Profit before taxation** | **61,176** | **10,338** | **75,870** | **23,012** |
| Taxation | (603) | (283) | (1,004) | (719) |
| **Profit after taxation** | **60,573** | **10,055** | **74,866** | **22,293** |
| **Other comprehensive income:** | | | | |
| Items that may be reclassified to profit or loss in subsequent period | | | | |
| Fair value gain on cash flow hedges | 1,273 | 5,528 | 1,093 | 8,150 |
| **Total comprehensive income for the period** | **61,846** | **15,583** | **75,959** | **30,443** |
| **Profit attributable to:** | | | | |
| Equity holders of the Company | 60,592 | 10,055 | 74,885 | 22,293 |
| Non-controlling interests | (19) | - | (19) | - |
| | 60,573 | 10,055 | 74,866 | 22,293 |
| **Total comprehensive income attributable to:** | | | | |
| Equity holders of the Company | 61,865 | 15,583 | 75,978 | 30,443 |
| Non-controlling interests | (19) | - | (19) | - |
| | 61,846 | 15,583 | 75,959 | 30,443 |
| Profit per share attributable to equity holders of the Company: | | | | |
| (i) Basic (sen) | 3.8 | 0.6 | 4.7 | 1.4 |
| (ii) Dilutive (sen) | 3.8 | 0.6 | 4.7 | 1.4 |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

| | 30 June 2026 RM '000 | 31 Dec 2025 RM '000 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 1,688,536 | 1,627,047 |
| Right-of-use assets | 177,467 | 179,953 |
| Investment in joint ventures | 667 | 57 |
| Deferred tax assets | 94,233 | 94,233 |
| | 1,960,903 | 1,901,290 |
| **Current assets** | | |
| Cash and bank balances | 518,716 | 458,033 |
| Trade and other receivables | 288,361 | 182,147 |
| Contract assets | 576,526 | 588,060 |
| Inventories | 4,372 | 3,314 |
| Tax recoverable | - | 103 |
| | 1,387,975 | 1,231,657 |
| **TOTAL ASSETS** | **3,348,878** | **3,132,947** |
| **Equity** | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 1,618,263 | 1,618,263 |
| Cash flow hedge reserve | (141) | (1,234) |
| Accumulated losses | (53,320) | (128,205) |
| | 1,564,802 | 1,488,824 |
| Non-controlling interests | 753 | 772 |
| **Total equity** | **1,565,555** | **1,489,596** |
| **Non-current liabilities** | | |
| Borrowing | 159,712 | 181,014 |
| Lease liabilities | 5,888 | 6,211 |
| | 165,600 | 187,225 |
| **Current liabilities** | | |
| Trade and other payables | 1,285,000 | 1,274,715 |
| Contract liabilities | 90,001 | 108,579 |
| Borrowings | 241,944 | 70,936 |
| Lease liabilities | 638 | 657 |
| Derivatives | 140 | 1,239 |
| | 1,617,723 | 1,456,126 |
| **Total liabilities** | **1,783,323** | **1,643,351** |
| **TOTAL EQUITY AND LIABILITIES** | **3,348,878** | **3,132,947** |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026**

| | 30 June 2026<br>RM '000 | 30 June 2025<br>RM '000 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Profit before taxation | 75,870 | 23,012 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 41,797 | 35,066 |
| Amortisation of right-of-use assets | 2,487 | 3,939 |
| Net allowance of impairment loss on trade and other receivables | 489 | 542 |
| Interest income | (13,243) | (5,291) |
| Net unrealised loss/(gain) on foreign exchange | 1,052 | (2,271) |
| Changes in fair value of hedging derivatives | (6) | 3,398 |
| Share of result of a joint venture | 1,390 | - |
| Finance cost | 8,176 | 5,489 |
| Operating profit before working capital changes | 118,012 | 63,884 |
| Inventories | (1,059) | (99) |
| Trade and other receivables, and contract assets | (92,482) | 127,520 |
| Trade and other payables, and contract liabilities | (11,927) | (35,970) |
| Cash generated from operations | 12,544 | 155,335 |
| Tax paid | (1,004) | (895) |
| **Net cash generated from operating activities** | **11,540** | **154,440** |
| | | |
| **Cash flows from investing activities:** | | |
| Purchase of property, plant and equipment | (103,288) | (82,551) |
| Interest received | 13,243 | 2,388 |
| Investment in joint venture | (2,000) | - |
| **Net cash used in investing activities** | **(92,045)** | **(80,163)** |
| | | |
| **Cash flows from financing activities:** | | |
| Drawdown of revolving credits | 230,000 | 40,000 |
| Repayment of revolving credits | (60,000) | (40,000) |
| Interest paid on revolving credits | (3,157) | (225) |
| Repayment of principal on long term borrowing | (20,294) | (19,513) |
| Interest paid on long term borrowing | (4,517) | (5,097) |
| Payment of lease liabilities | (342) | (377) |
| Interest paid on lease liabilities | (502) | (167) |
| **Net cash generated from/(used in) financing activities** | **141,188** | **(25,379)** |
| | | |
| Net change in cash & cash equivalents | 60,683 | 48,898 |
| | | |
| Cash & cash equivalents at the beginning of the year | 445,579 | 445,410 |
| | | |
| **Cash & cash equivalents at the end of the period** | **506,262** | **494,308** |
| | | |
| Cash and cash equivalents at the end of the period comprise the following: | | |
| | | |
| Cash at banks and in hand | 398,239 | 258,425 |
| IFSSC bank balance* | 120,448 | 36,919 |
| Deposits with licensed banks | 29 | 211,146 |
| **Cash and bank balances** | **518,716** | **506,490** |
| Less: Cash pledged with the bank - restricted | (12,454) | (12,182) |
| | **506,262** | **494,308** |

* Since 1 July 2014, to allow for efficient cash management, most of the Group's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Services Centre ("IFSSC").

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

| | <--------------------------Attributable to equity holders of the Company--------------------------> | | | | | |
|---|---|---|---|---|---|---|
| | Share Capital RM '000 | Accumulated Losses RM '000 | Cash Flow Hedge Reserve RM '000 | Total RM '000 | Non-controlling Interests RM '000 | Total Equity RM '000 |
| **6 MONTHS ENDED 30 JUNE 2026** | | | | | | |
| **At 1 January 2026** | **1,618,263** | **(128,205)** | **(1,234)** | **1,488,824** | **772** | **1,489,596** |
| Total comprehensive income/(loss) | - | 74,885 | 1,093 | 75,978 | (19) | 75,959 |
| **At 30 June 2026** | **1,618,263** | **(53,320)** | **(141)** | **1,564,802** | **753** | **1,565,555** |
| **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** | **1,618,263** | **(208,768)** | **465** | **1,409,960** | **839** | **1,410,799** |

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL REPORT

### A1. CORPORATE INFORMATION

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

These unaudited condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 20 August 2026.

### A2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the period ended 30 June 2026 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities 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 2025.

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 2025.

The audited consolidated financial statements of the Group for the year ended 31 December 2025 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 2026 under the Malaysian Financial Reporting Standards ("MFRS") framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the financial year ended 31 December 2025.

As at 1 January 2026, the Group has adopted the following revised MFRSs and Amendments to MFRSs (collectively referred to as "pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB"):

**Effective for annual periods beginning on or after 1 January 2026**

- Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)

- Amendments to MFRS 1: First time adoption of Malaysian Financial Reporting Standards, MFRS 7: Financial Instruments: Disclosure, MFRS 9: Financial Instruments, MFRS 10: Consolidated Financial Statement and MFRS 107: Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)

The adoption of the above-mentioned pronouncements do not have any material impact to the financial statements of the Group.

### A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2025 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 global energy 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 2025 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 2026.

## A9. BORROWINGS

The tenure of Group borrowings, classified as short and long term as well as secured and unsecured, are as follows:

| | 30 June 2026<br>RM '000 | 31 Dec 2025<br>RM '000 |
|---|---|---|
| Non-current | | |
| Secured - Term loan | 159,712 | 181,014 |
| | 159,712 | 181,014 |
| Current | | |
| Secured - Term loan | 41,944 | 40,936 |
| Unsecured - Revolving credit | 200,000 | 30,000 |
| | 241,944 | 70,936 |
| Total Borrowings | 401,656 | 251,950 |

## A10. SEGMENT REPORT

The revenue and operating results of the Group and by segment for the current financial period are as follows:

| REVENUE AND RESULTS | Heavy Engineering<br>RM '000 | Marine<br>RM '000 | Others<br>RM '000 | Eliminations<br>RM '000 | Total<br>RM '000 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External | 1,293,386 | 215,275 | - | - | 1,508,661 |
| **Results** | | | | | |
| Operating profit/(loss) | 72,269 | 14,303 | (1,117) | (19) * | 85,436 |
| Finance costs | | | | | (8,176) |
| Share of results of a joint venture | | | | | (1,390) |
| **Profit before taxation** | | | | | **75,870** |

* Inter-segment transactions are eliminated on consolidation.

## A11. PROFIT FOR THE PERIOD

| | Quarter Ended | | Cumulative 6 Months Ended | |
|---|---|---|---|---|
| | **30 June 2026** | **30 June 2025** | **30 June 2026** | **30 June 2025** |
| | **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 | (21,724) | (17,948) | (41,797) | (35,066) |
| Amortisation of right-of-use assets | (1,827) | (1,970) | (2,487) | (3,939) |
| Net unrealised gain/(loss) on foreign exchange | 932 | 1,652 | (1,052) | 2,271 |
| Changes in fair value of hedging derivatives | (10) | 1,630 | 6 | (3,398) |
| Finance cost | (4,805) | (2,798) | (8,176) | (5,489) |
| Net allowance for impairment loss on trade and other receivables | (440) | (174) | (489) | (542) |
| Rental expenses | | | | |
| - Plant and machineries | (3,339) | (1,553) | (5,891) | (4,560) |
| - Office equipment | (1,848) | (2,014) | (3,251) | (3,489) |
| - Transportation | (686) | (1,999) | (1,799) | (3,572) |
| - Others | (307) | (485) | (523) | (828) |
| Income from scrap disposal | 3,898 | 2,425 | 4,670 | 3,443 |
| Interest income | 10,221 | 3,484 | 13,243 | 5,291 |
| Rental income | 231 | 491 | 684 | 989 |

## 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 2025.

## A13. SUBSEQUENT MATERIAL EVENTS

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

## A14. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group.

## A15. DISCONTINUED OPERATIONS

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

## A16. CAPITAL COMMITMENTS

| | **30 June 2026** | **31 Dec 2025** |
|---|---|---|
| | **RM '000** | **RM '000** |
| Approved and contracted for | 98,605 | 39,150 |
| Approved but not contracted for | 92,040 | 217,124 |
| | 190,645 | 256,274 |

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 assets and liabilities:

| | 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 30 June 2026** | | | | |
| **Financial liability** | | | | |
| Forward currency contracts | - | (140) | - | (140) |
| **At 31 December 2025** | | | | |
| **Financial liability** | | | | |
| Forward currency contracts | - | (1,239) | - | (1,239) |

| | 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 2026** | | | | | |
| **Financial liability** | | | | | |
| Term loan | | | | | |
| - fixed rate | - | (193,057) | - | (193,057) | (201,656) |
| **At 31 December 2025** | | | | | |
| **Financial liability** | | | | | |
| Term loan | | | | | |
| - fixed rate | - | (210,058) | - | (210,058) | (221,950) |

## A18. RELATED PARTY TRANSACTIONS

During the current financial period, Malaysia Marine and Heavy Engineering Sdn Bhd ("MMHE") secured a contract from Floating Production Solutions Sdn. Bhd. for the provision of Engineering, Procurement, Construction and Onshore Commissioning services for a floating storage and offloading unit ("FSO").

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 2025.

**B1. REVIEW OF PERFORMANCE**

| | Quarter Ended | | Cumulative 6 Months Ended | |
|---|---|---|---|---|
| | **30 June 2026** | **30 June 2025** | **30 June 2026** | **30 June 2025** |
| | **RM '000** | **RM '000** | **RM '000** | **RM '000** |
| **Revenue** | | | | |
| Heavy Engineering | 870,177 | 309,970 | 1,293,386 | 630,170 |
| Marine | 116,552 | 121,603 | 215,275 | 254,503 |
| | 986,729 | 431,573 | 1,508,661 | 884,673 |
| **Results** | | | | |
| Heavy Engineering | 61,983 | 1,497 | 72,269 | 3,710 |
| Marine | 7,527 | 10,974 | 14,303 | 28,361 |
| Others | (2,129) | 675 | (1,117) | (3,551) |
| Eliminations/adjustments * | (10) | (10) | (19) | (19) |
| **Operating profit** | **67,371** | **13,136** | **85,436** | **28,501** |
| Finance cost | (4,805) | (2,798) | (8,176) | (5,489) |
| Share of results of a joint venture | (1,390) | - | (1,390) | - |
| **Profit before taxation** | **61,176** | **10,338** | **75,870** | **23,012** |

**Performance of current quarter against the quarter ended 30 June 2025 ("corresponding quarter")**

The Group posted revenue of RM986.7 million, an increase of RM555.2 million over the corresponding quarter last year. The increase in revenue was largely driven by higher revenue contribution from the Heavy Engineering segment.

In line with the higher revenue, the Group recorded an operating profit of RM67.4 million, an improvement of RM54.2 million compared to RM13.1 million achieved in the same quarter last year.

The variance in the Group's performance by segments are explained below:

***Heavy Engineering***

The Heavy Engineering segment recorded higher revenue of RM870.2 million in the current quarter, an increase of RM560.2 million from the corresponding quarter. The increase was primarily attributable to the ongoing projects advancing into higher construction phases coupled with finalisation of post sail-away projects.

The segment registered an operating profit of RM62.0 million, representing an increase of RM60.5 million from RM1.5 million recorded in the corresponding quarter. The stronger performance was mainly attributable to higher revenue recognised during the quarter and the finalisation of post sail-away projects, which has contributed positively.

***Marine***

Revenue for the current quarter amounted to RM116.6 million, a marginal decrease of RM5.1 million compared to the corresponding quarter, primarily due to lower number of vessel repairs offset with higher revenue from conversion projects.

In tandem with lower revenue, the segment recorded a lower operating profit of RM7.5 million compared to operating profit of RM11.0 million in corresponding quarter.

***Share of results of a joint venture***

The joint venture recorded a loss during the quarter as its conversion projects are currently in the early phase of execution.

## B1. REVIEW OF PERFORMANCE (CONTINUED)

**<u>Performance of current period against financial period ended 30 June 2025 ("corresponding period")</u>**

The Group recorded revenue of RM1,508.7 million, an increase of RM624.0 million from RM884.7 million reported in the corresponding period, mainly driven by stronger contributions from the Heavy Engineering segment.

As a result of higher revenue, the Group's operating profit improved significantly to RM85.4 million from RM28.5 million in the corresponding period.

The variance in the Group's performance by segments are explained below:

***Heavy Engineering***

The Heavy Engineering segment recorded revenue of RM1,293.4 million for the period, an increase of RM663.2 million compared to the corresponding period, mainly attributable to the ongoing projects advancing into higher construction phases.

In line with the stronger revenue performance, the segment registered an operating profit of RM72.3 million, an increase of RM68.6 million from RM3.7 million recorded in the corresponding period. The increase was primarily attributable to higher project activities and positive impact from finalisation of post sail-away projects.

***Marine***

The segment recorded revenue of RM215.3 million in the current period, representing a decrease of RM39.2 million from RM254.5 million in the corresponding period. The lower revenue was mainly due to lower number of vessel repairs, while the corresponding period included revenue from the finalisation of an FSO conversion work that has since sailed away.

The segment recorded an operating profit of RM14.3 million in the current period, RM14.1 million lower compared to the operating profit of RM28.4 million in the corresponding period mainly due to lower revenue from repair works in the current period while corresponding period included profit from the finalisation of an FSO conversion works.

***Share of results of a joint venture***

The joint venture recorded a loss during the quarter as its conversion project is currently in the early phase of execution.

## B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

| | **Quarter Ended** | |
|---|---|---|
| | **30 June 2026** | **31 Mar 2026** |
| | **RM '000** | **RM '000** |
| **Revenue** | | |
| Heavy Engineering | 870,177 | 423,209 |
| Marine | 116,552 | 98,723 |
| | 986,729 | 521,932 |
| **Results** | | |
| Heavy Engineering | 61,983 | 10,286 |
| Marine | 7,527 | 6,776 |
| Others | (2,129) | 1,012 |
| Eliminations/adjustments | (10) | (9) |
| **Operating profit** | **67,371** | **18,065** |
| Finance cost | (4,805) | (3,371) |
| Share of results of a joint venture | (1,390) | - |
| **Profit before taxation** | **61,176** | **14,694** |

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS (CONTINUED)**

The Group recorded a higher revenue of RM986.7 million for the current quarter as compared to RM521.9 million in the preceding quarter. This increase was primarily driven by higher revenue from the Heavy Engineering segment, following progress in ongoing projects coupled with finalisation of post sail-away project.

In line with the higher revenue, the Group achieved a higher operating profit of RM67.4 million in the current quarter compared to RM18.1 million in the preceding quarter. The higher operating profit in the current quarter was contributed from the finalisation of post sail-away project.

**B3. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | **As at 30 June 2026 RM '000** | **As at 31 Dec 2025 RM '000** | **Variance %** |
|---|---|---|---|
| Total assets | 3,348,878 | 3,132,947 | 7% |
| Total equity attributable to equity holders of the Company | 1,564,802 | 1,488,824 | 5% |
| Total liabilities | 1,783,323 | 1,643,351 | 9% |

The Group's total assets, which primarily comprise of property, plant and equipment, trade and other receivables, contract assets and cash and bank balances, increased by RM215.9 million during the financial period. The increase was mainly due to higher trade and other receivables by RM106.2 million and cash and bank balances by RM60.7 million following positive performance during the period, as well as higher property, plant and equipment by RM61.5 million from ongoing infrastructure upgrading works and other capital expenditure.

Total equity attributable to equity holders increased by RM76.0 million, due to the profit achieved during the period.

The Group's total liabilities increased by RM140.0 million, primarily due to drawdown of revolving credit facility partially offset by the decrease in contract liabilities during the period.

**B4. REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS**

| | **Cumulative 6 Months Ended** | | |
|---|---|---|---|
| | **30 June 2026 RM '000** | **30 June 2025 RM '000** | **Variance %** |
| Net cash generated from operating activities | 11,540 | 154,440 | -93% |
| Net cash used in investing activities | (92,045) | (80,163) | -15% |
| Net cash generated from/(used in) financing activities | 141,188 | (25,379) | >100% |
| Net change in cash & cash equivalents | 60,683 | 48,898 | 24% |

The Group recorded net cash generated from operating activities of RM11.5 million in the current financial period compared to RM154.4 million in the corresponding period. The lower operating cash inflow was primarily attributable to lower collections during the period, with certain milestone collections expected to be realised in the subsequent period.

The Group recorded net cash used in investing activities amounting to RM92.0 million compared to RM80.2 million in the corresponding period mainly due to higher purchases of property, plant and equipment during the current period.

The Group recorded net cash generated from financing activities amounting to RM141.2 million for the current period, compared to net cash used in financing activities amounting to RM25.4 million in the previous period. This variance was primarily attributable to the net drawdown of revolving credit facilities during the current period.

## B5. CURRENT YEAR PROSPECTS

The global energy industry outlook remains dynamic as it continues to navigate evolving geopolitical and economic uncertainties as well as shifting investment priorities. Heightened concerns over energy security and supply reliability continue to influence capital allocation decisions, with selective investments in upstream developments and energy infrastructure are expected to support ongoing industry activity and create opportunities for the Group.

Against this backdrop, the Heavy Engineering segment will maintain a strategic and selective approach to securing a high-quality order book across conventional and new energy sectors, both domestically and internationally, to support a balanced portfolio while maintaining strong project execution discipline.

Although the global ship trading, docking and repair operations were affected by the geopolitical conflicts in the West Asia, the long-term marine repair demand is expected to remain resilient, underpinned by LNG carrier dry-docking requirements amidst growing importance of the LNG value chain. In response to heightened competition, the Group will remain focused on strengthening its presence in targeted market segments while positioning itself to capitalise on evolving regional shipping patterns and emerging market opportunities.

Yard modernisation efforts are progressing steadily to further enhance productivity, operational efficiency and competitiveness, supporting the Group's long-term growth prospects and its ability to deliver value-added solutions to its clients.

## B6. PROFIT FORECAST AND PROFIT GUARANTEE

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

## B7. TAXATION

| | 30 June 2026<br>RM '000 | 30 June 2025<br>RM '000 |
|---|---|---|
| Taxation for the period comprises the following: | | |
| Income tax | | |
| - current period | (1,004) | (719) |
| | (1,004) | (719) |

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) <u>MMHE and Haumea Offshore Sdn Bhd ("Haumea")</u>**

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) ("Haumea") 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 13 May 2025, MMHE filed to the High Court an Originating Summons ("OS") to seek a declaration that the Notice of Arbitration ("NOA") is invalid, premature and wrong in law. MMHE also filed an injunction to restrain Haumea from registering the NOA with Asian International Arbitration Centre ("AIAC").

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

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.

## B8. CHANGES IN MATERIAL LITIGATION (CONTINUED)

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

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.

Haumea's NOA was never submitted or registered to the AIAC. Hence, there is no formal arbitration proceeding at this point in time. 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 NOA, would be rendered null and void.

### 2) MMHE and Solution Technologies Sdn Bhd ("ST")

MMHE had on 4 June 2026 been served with a Writ and Statement of Claim, from the solicitors acting for ST.

In its Writ and Statement of Claim, ST claims losses allegedly arising from the termination of a purported contract relating to the Transportation and Installation Works for part of the Provision of Engineering, Procurement, Construction & Installation of five (5) Wellhead Platforms, five (5) Subsea Pipelines and Host Tie-In Works for Joint Development Area Field Development Project (Phase 6) contract.

The alleged losses claimed by ST include special damages amounting to RM54,006,793 for among others, project administration cost, payment to sub-vendor, project management team salary, project engineering works as well as loss of profit, loss of opportunity, general damages and aggravated damages.

The parties have completed the exchange of pleadings and are currently awaiting further directions from the Court. MMHE will continue to take all necessary and appropriate steps to defend against the claim and protect its interests in the proceedings.

## B9. DERIVATIVES

Details of the Group's derivative financial instruments outstanding as at 30 June 2026 are as follows:

| | **Contract/ Notional Amount as at 30 June 2026 RM '000** | **Fair Value Liabilities RM '000** |
|---|---|---|
| Forward foreign currency contracts | 99,308 | 140 |

During the period, the Group recognised a net unrealised derivatives gain of RM1,093,000 in its equity and net unrealised gain of RM6,000 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 6 Months Ended** | |
|---|---|---|---|---|
| | **30 June 2026** | **30 June 2025** | **30 June 2026** | **30 June 2025** |
| Basic profit per share is computed as follows: | | | | |
| Profit for the period attributable to equity holders of the Company (RM '000) | 60,592 | 10,055 | 74,885 | 22,293 |
| 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)** | **3.8** | **0.6** | **4.7** | **1.4** |

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 2026.

## B12. TRADE AND OTHER RECEIVABLES

| | 30 June 2026 RM '000 | 31 Dec 2025 RM '000 |
|---|---|---|
| **Current** | | |
| Trade receivables | | |
| Third parties | 138,452 | 152,841 |
| Related companies | 138,585 | 49,353 |
| | 277,037 | 202,194 |
| Other receivables | 40,548 | 11,716 |
| Less: Allowance for impairment losses | (29,224) | (31,763) |
| | 288,361 | 182,147 |
| **Trade and other receivables** | **288,361** | **182,147** |

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 as at reporting date are as follows:

| | 30 June 2026 RM '000 | 31 Dec 2025 RM '000 |
|---|---|---|
| Neither past due nor impaired | 214,902 | 138,876 |
| 1 to 30 days past due not impaired | 19,402 | 18,966 |
| 31 to 60 days past due not impaired | 2,163 | 7,508 |
| 61 to 90 days past due not impaired | - | 7,146 |
| More than 90 days past due not impaired | 14,450 | 2,569 |
| | 250,917 | 175,065 |
| Impaired | 26,120 | 27,129 |
| **Trade receivables** | **277,037** | **202,194** |