MISC BERHAD

(Registration No. 196801000580 (8178-H))

QUARTERLY REPORT
FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Quarter Ended 31 March		Cumulative 3 Months Ended 31 March	
	2025	2024	2025	2024
	RM million	RM million	RM million	RM million
Revenue	2,816.1	3,638.3	2,816.1	3,638.3
Cost of sales	(1,831.6)	(2,573.6)	(1,831.6)	(2,573.6)
GROSS PROFIT	**984.5**	**1,064.7**	**984.5**	**1,064.7**
Other operating income	302.0	152.6	302.0	152.6
General and administrative expenses	(429.3)	(335.3)	(429.3)	(335.3)
OPERATING PROFIT	**857.2**	**882.0**	**857.2**	**882.0**
Impairment provisions	(30.8)	-	(30.8)	-
Net gain on acquisition of subsidiaries	55.8	-	55.8	-
Gain on disposal of ships	-	74.1	-	74.1
Finance costs	(157.7)	(194.8)	(157.7)	(194.8)
Share of profit of associates	0.8	0.6	0.8	0.6
Share of profit of joint ventures	10.1	9.2	10.1	9.2
PROFIT BEFORE TAX	**735.4**	**771.1**	**735.4**	**771.1**
Taxation	(23.8)	(17.3)	(23.8)	(17.3)
PROFIT AFTER TAX	**711.6**	**753.8**	**711.6**	**753.8**
PROFIT ATTRIBUTABLE TO:				
Equity holders of the Corporation	705.7	759.9	705.7	759.9
Non-controlling interests	5.9	(6.1)	5.9	(6.1)
PROFIT AFTER TAX	**711.6**	**753.8**	**711.6**	**753.8**
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE CORPORATION (SEN)	15.8	17.0	15.8	17.0

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 31 March		Cumulative 3 Months Ended 31 March	
	2025	**2024**	**2025**	**2024**
	RM million	**RM million**	**RM million**	**RM million**
PROFIT AFTER TAX	**711.6**	**753.8**	**711.6**	**753.8**
OTHER COMPREHENSIVE (LOSS)/INCOME				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges:				
Fair value (loss)/gain				
Group	(210.0)	102.3	(210.0)	102.3
Joint ventures	(15.9)	(1.3)	(15.9)	(1.3)
(Loss)/gain on currency translation *	(219.9)	1,156.0	(219.9)	1,156.0
Total other comprehensive (loss)/income	**(445.8)**	**1,257.0**	**(445.8)**	**1,257.0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**265.8**	**2,010.8**	**265.8**	**2,010.8**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
Equity holders of the Corporation	268.7	2,009.2	268.7	2,009.2
Non-controlling interests	(2.9)	1.6	(2.9)	1.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**265.8**	**2,010.8**	**265.8**	**2,010.8**

* The following USD:RM exchange rates were used in the calculation of (loss)/gain on currency translation:

	2025	**2024**	**2023**
As at 31 March	4.43250	4.73750	4.41500
As at 31 December	-	4.46000	4.59950

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2025 RM million	As at 31 December 2024 RM million
NON CURRENT ASSETS		
Ships	21,064.1	21,597.5
Offshore floating asset	-	19.3
Other property, plant and equipment	1,953.1	1,863.7
Prepaid lease payments on land and buildings	182.8	184.7
Finance lease receivables	19,876.3	20,047.0
Investments in associates	529.2	519.2
Investments in joint ventures	751.9	1,140.8
Other non current assets	617.7	586.5
Derivative assets	383.3	594.2
Intangible assets	915.5	920.6
Deferred tax assets	102.2	102.9
	46,376.1	**47,576.4**
CURRENT ASSETS		
Inventories	82.7	105.9
Finance lease receivables	1,801.5	1,641.2
Trade and other receivables, and contract assets	4,449.4	4,435.1
Cash, deposits and bank balances	7,942.5	6,676.6
	14,276.1	**12,858.8**
TOTAL ASSETS	**60,652.2**	**60,435.2**
EQUITY		
Share capital	8,923.3	8,923.3
Treasury shares	(0.3)	(0.3)
Reserves	9,161.1	9,598.1
Retained profits	19,253.1	19,083.0
Equity attributable to equity holders of the Corporation	**37,337.2**	**37,604.1**
Non-controlling interests	706.5	709.4
TOTAL EQUITY	**38,043.7**	**38,313.5**
NON CURRENT LIABILITIES		
Interest bearing loans and borrowings	11,707.0	12,161.4
Deferred income	852.3	877.3
Deferred tax liabilities	6.0	7.5
Derivative liabilities	14.6	0.1
	12,579.9	**13,046.3**
CURRENT LIABILITIES		
Interest bearing loans and borrowings	5,124.4	3,332.9
Trade and other payables	4,860.0	5,706.2
Provision for taxation	40.5	35.0
Derivative liabilities	3.7	1.3
	10,028.6	**9,075.4**
TOTAL LIABILITIES	**22,608.5**	**22,121.7**
TOTAL EQUITY AND LIABILITIES	**60,652.2**	**60,435.2**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative 3 Months Ended	
	31 March 2025	**31 March 2024**
	RM million	**RM million**
Cash Flows from Operating Activities:		
Profit before tax	735.4	771.1
Writeback of impairment loss on finance lease receivables, trade and other receivables	(2.1)	(1.6)
Impairment loss on receivables	1.2	12.6
Bad debts written off	-	0.1
Depreciation of ships, offshore floating asset and other property, plant and equipment	492.8	558.1
Amortisation of prepaid lease payments	1.9	1.9
Impairment provisions	30.8	-
Loss on modification of finance lease contract	61.9	-
Net gain on acquisition of subsidiaries	(55.8)	-
Net unrealised foreign exchange loss	2.7	1.2
Gain on disposal of ships	-	(74.1)
Dividend income from equity investments	-	(0.6)
Interest expense	146.7	185.3
Finance income	(58.5)	(105.9)
Net fair value movement in other investments	1.1	(5.9)
Changes in fair value of hedging derivatives	5.0	(1.5)
Amortisation of intangibles	0.4	0.3
Amortisation of upfront fees for borrowings	10.9	9.5
Share of profit of associates	(0.8)	(0.6)
Share of profit of joint ventures	(10.1)	(9.2)
Amortisation of deferred income	(19.7)	(16.9)
Operating profit before working capital changes	1,343.8	1,323.8
Inventories	22.8	12.9
Trade and other receivables, and contract assets	(216.0)	(414.4)
Trade and other payables	(359.4)	(685.3)
Cash generated from operations	791.2	237.0
Net tax paid	(18.1)	(26.2)
Net cash generated from operating activities	**773.1**	**210.8**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Cumulative 3 Months Ended	
	31 March 2025	**31 March 2024**
	RM million	**RM million**
Cash Flows from Investing Activities:		
Purchase of ships, other property, plant and equipment	(165.8)	(342.7)
Purchase consideration on acquisition of subsidiaries	(267.0)	-
Investment in associates	(11.7)	(27.2)
Proceeds from disposal of ships	-	190.7
Dividend received from:		
Other investment	-	0.6
Joint venture	26.7	28.3
Cash acquired on acquisition of subsidiaries	167.2	-
Interest received	53.2	88.6
Net fixed deposit placements	(70.9)	(370.0)
Net cash used in investing activities	**(268.3)**	**(431.7)**
Cash Flows from Financing Activities:		
Drawdown of interest bearing loans and borrowings	4,766.5	555.6
Repayment of interest bearing loans and borrowings	(3,339.7)	(473.1)
Repayment of lease liabilities	(28.3)	(30.6)
Dividends paid to the equity holders of the Corporation	(535.6)	(535.6)
Interest paid	(129.3)	(139.6)
Receipt/(placement) of cash pledged with banks (restricted for use)	58.4	(8.2)
Net cash generated from/(used in) financing activities	**792.0**	**(631.5)**
Net change in cash and cash equivalents	1,296.8	(852.4)
Cash & cash equivalents at the beginning of the year	5,310.0	6,545.2
Currency translation differences	(34.9)	173.8
Cash & cash equivalents at the end of period	**6,571.9**	**5,866.6**
Cash pledged with banks - restricted for use and deposited with maturity more than 90 days	1,370.6	1,601.5
Cash, deposits and bank balances	**7,942.5**	**7,468.1**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		← Attributable to equity holders of the Corporation →									
	Total equity	Equity attributable to equity holders of the Corporation	Share capital*	Treasury shares	Retained profits	Other reserves, total	Other capital reserve	Capital reserve	Hedging reserve	Currency translation reserve	Non-controlling Interests
	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million
3 MONTHS ENDED 31 MARCH 2025											
At 1 January 2025	**38,313.5**	**37,604.1**	**8,923.3**	**(0.3)**	**19,083.0**	**9,598.1**	**60.0**	**435.2**	**601.8**	**8,501.1**	**709.4**
Total comprehensive income	265.8	268.7	-	-	705.7	(437.0)	-	-	(219.0)	(218.0)	(2.9)
Transactions with equity holders											
Dividends	(535.6)	(535.6)	-	-	(535.6)	-	-	-	-	-	-
Total transactions with equity holders	(535.6)	(535.6)	-	-	(535.6)	-	-	-	-	-	-
At 31 March 2025	**38,043.7**	**37,337.2**	**8,923.3**	**(0.3)**	**19,253.1**	**9,161.1**	**60.0**	**435.2**	**382.8**	**8,283.1**	**706.5**
3 MONTHS ENDED 31 MARCH 2024											
At 1 January 2024	**39,965.8**	**39,285.8**	**8,923.3**	**(0.3)**	**19,496.4**	**10,866.4**	**60.0**	**435.2**	**701.4**	**9,669.8**	**680.0**
Total comprehensive income	2,010.8	2,009.2	-	-	759.9	1,249.3	-	-	101.6	1,147.7	1.6
Transactions with equity holders											
Dividends	(535.6)	(535.6)	-	-	(535.6)	-	-	-	-	-	-
Total transactions with equity holders	(535.6)	(535.6)	-	-	(535.6)	-	-	-	-	-	-
At 31 March 2024	**41,441.0**	**40,759.4**	**8,923.3**	**(0.3)**	**19,720.7**	**12,115.7**	**60.0**	**435.2**	**803.0**	**10,817.5**	**681.6**

* Included in share capital is one preference share of RM1.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. CORPORATE INFORMATION

MISC Berhad 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 27 May 2025.

A2. BASIS OF PREPARATION

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

The audited financial statements of the Group for the year ended 31 December 2024 are available upon request from the Corporation's registered office located at Level 25, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur.

The main functional currency of the Group is United States Dollar (“USD”) while these interim financial statements are presented in 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 Group’s annual financial statements for the year ending 31 December 2025 under the Malaysian Financial Reporting Standards (“MFRS”) framework. These policies do not differ significantly from those used in the Group’s audited financial statements for the year ended 31 December 2024 except as disclosed below.

As at 1 January 2025, the Group and the Corporation have adopted the following MFRS and Amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“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 pronouncements has no material financial impact to the Group and the Corporation.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A4. EXCEPTIONAL ITEMS

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

A5. 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 current quarter results.

A6. 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.

A7. CHANGES IN COMPOSITION OF THE GROUP

Following the completion of Share Sale and Purchase Agreements between MISC OBU One (L) Pte. Ltd., an indirect wholly owned subsidiary of the Corporation and SBM Holding Inc. S.A. ("SBM") to effect the acquisition of SBM's 49% equity interest in FPSO Kikeh and the divestment of MISC's 49% equity interest in FPSO Espirito Santo, on 31 January 2025, the following changes have taken effect:

(a) Malaysian Deepwater Floating Terminal (Kikeh) Limited ("MDFT") and Malaysian Deepwater Production Contractors Sdn Bhd ("MDPC") became indirect wholly owned subsidiaries of the Corporation; and

(b) Brazilian Deepwater Production B.V. ("BDPBV"), Brazilian Deepwater Production Contractors Ltd. ("BDPC"), Brazilian Deepwater Production Ltd. ("BDPL") and Brazilian Deepwater Floating Terminals Ltd ("BDFT") ceased to be joint-venture companies of the Corporation.

A8. DISCONTINUED OPERATIONS

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

A9. SEASONALITY OF OPERATIONS

The businesses of the Group are subject to market fluctuations.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A10. REVENUE

The Group's revenue by segments are as follows:

	Gas Assets & Solutions		Petroleum & Products		Offshore		Marine & Heavy Engineering		Others, Eliminations and Adjustments		Total	
	RM million		RM million		RM million		RM million		RM million		RM million	
Quarter/Cumulative Period Ended 31 March	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenue from contracts with customers	48.8	-	610.2	583.7	212.5	411.6	453.1	984.5	(36.0)	(12.6)	1,288.6	1,967.2
Revenue from charter *	587.4	775.3	642.2	775.7	297.9	120.1	-	-	-	-	1,527.5	1,671.1
	636.2	**775.3**	**1,252.4**	**1,359.4**	**510.4**	**531.7**	**453.1**	**984.5**	**(36.0)**	**(12.6)**	**2,816.1**	**3,638.3**

* Revenue from charter consists of charter income and finance income on lease receivables.

A11. SEGMENT REPORT

The operating segments of the Group are as follows:

Gas Assets & Solutions - provision of Liquefied Natural Gas ("LNG") carrier services and non-conventional gas asset solutions;

Petroleum & Products - provision of petroleum tanker and chemical tanker services;

Offshore - own, lease, operation and maintenance of offshore, floating, production, storage and offloading terminals;

Marine & Heavy Engineering - marine repair, marine conversion and engineering and construction works; and

Others - integrated marine services, port & terminal services, maritime education & training and other diversified businesses.

Revenue and operating results by segments are as follows:

	Gas Assets & Solutions		Petroleum & Products		Offshore		Marine & Heavy Engineering		Others, Eliminations and Adjustments *		Total	
	RM million		RM million		RM million		RM million		RM million		RM million	
Quarter/Cumulative Period Ended 31 March	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenue												
External sales	636.2	775.3	1,252.4	1,358.8	498.7	531.7	378.5	925.1	50.3	47.4	2,816.1	3,638.3
Inter-segment	-	-	-	0.6	11.7	-	74.6	59.4	(86.3)	(60.0)	-	-
	636.2	**775.3**	**1,252.4**	**1,359.4**	**510.4**	**531.7**	**453.1**	**984.5**	**(36.0)**	**(12.6)**	**2,816.1**	**3,638.3**
Operating profit/(loss)	**303.8**	**361.1**	**370.1**	**390.1**	**261.1**	**146.6**	**15.8**	**14.4**	**(93.6)**	**(30.2)**	**857.2**	**882.0**

* Comprises other diversified businesses, net foreign exchange differences, interest income, dividend income from quoted investment, corporate expenses, eliminations and adjustments.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A12. PROFIT FOR THE PERIOD

Included in the profit for the period are the following items:

	Quarter Ended 31 March		Cumulative 3 Months Ended 31 March	
	2025 RM million	2024 RM million	2025 RM million	2024 RM million
Finance income	58.5	105.9	58.5	105.9
Other income	227.2	31.2	227.2	31.2
Interest expense	(146.7)	(185.3)	(146.7)	(185.3)
Amortisation of upfront fees for borrowings	(10.9)	(9.5)	(10.9)	(9.5)
Depreciation of ships, offshore floating asset and other property, plant and equipment	(492.8)	(558.1)	(492.8)	(558.1)
Amortisation of prepaid lease payments	(1.9)	(1.9)	(1.9)	(1.9)
Amortisation of intangibles	(0.4)	(0.3)	(0.4)	(0.3)
Gain on disposal of ships	-	74.1	-	74.1
Impairment provisions	(30.8)	-	(30.8)	-
Impairment on receivables	(1.2)	(12.6)	(1.2)	(12.6)
Bad debts written off	-	(0.1)	-	(0.1)
Net fair value movement in other investments	(1.1)	5.9	(1.1)	5.9
Changes in fair value of hedging derivatives	(5.0)	1.5	(5.0)	1.5
Loss on modification of finance lease contract	(61.9)	-	(61.9)	-
Net gain on acquisition of subsidiaries	55.8	-	55.8	-
Write back of impairment loss on finance lease receivables, trade and other receivables	2.1	1.6	2.1	1.6
Net realised foreign exchange loss	(4.0)	(6.0)	(4.0)	(6.0)
Net unrealised foreign exchange loss	(2.7)	(1.2)	(2.7)	(1.2)

A13. SHIPS, OFFSHORE FLOATING ASSET AND OTHER PROPERTY, PLANT AND EQUIPMENT

Included in ships, offshore floating asset and other property, plant and equipment are construction work-in-progress, mainly for the construction of ships totalling RM1,547.9 million (31 December 2024: RM1,481.6 million) and right-of-use assets amounting to RM133.5 million (31 December 2024: RM119.3 million).

The volatility of charter hire rates, expired charter contracts or contracts approaching expiry dates were identified as indications that the carrying amount of certain ships may be impaired. The Group has performed a review of the recoverable amount of the ships at the end of the quarter. The recoverable amount was based on the higher of fair value less costs of disposal or value-in-use, and determined at the cash generating unit ("CGU") level of each asset.

The review led to the recognition of net impairment losses of ships amounting to RM30.8 million in the current financial period as the recoverable amount of the ships was lower than their carrying value.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A14. INTANGIBLE ASSETS

	Goodwill RM million	Other Intangible Assets RM million	Total RM million
Cost			
At 1 January 2024	**1,091.8**	**555.9**	**1,647.7**
Additions	-	4.0	4.0
Disposal of a subsidiary	-	(132.6)	(132.6)
Currency translation differences	(30.5)	(0.1)	(30.6)
At 31 December 2024	**1,061.3**	**427.2**	**1,488.5**
Additions	-	1.5	1.5
Currency translation differences	(6.1)	(0.1)	(6.2)
At 31 March 2025	**1,055.2**	**428.6**	**1,483.8**
Accumulated amortisation and impairment			
At 1 January 2024	**162.5**	**536.1**	**698.6**
Amortisation	-	1.9	1.9
Disposal of a subsidiary	-	(132.6)	(132.6)
At 31 December 2024	**162.5**	**405.4**	**567.9**
Amortisation	-	0.4	0.4
At 31 March 2025	**162.5**	**405.8**	**568.3**
Net carrying amount			
At 1 January 2024	**929.3**	**19.8**	**949.1**
At 31 December 2024	**898.8**	**21.8**	**920.6**
At 31 March 2025	**892.7**	**22.8**	**915.5**

Goodwill is tested for impairment annually, or when circumstances indicate that the carrying value may be impaired. The Group's goodwill impairment test is a comparison of the goodwill's carrying value against its recoverable amount. The recoverable amounts are based on value-in-use for cash generating units ("CGU"), calculated using cash flow projections. The key assumptions used to determine the value-in-use of CGUs were disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

The other intangible assets relate to the fair value of long-term customer contracts from acquisition of a subsidiary at the date of acquisition, which is amortised over the remaining contract periods.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A15. 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 that are measured at fair value:

	Level 1 RM million	Level 2 RM million	Level 3 RM million	Total RM million
At 31 March 2025				
Financial Assets				
Quoted investments	62.7	-	-	62.7
Unquoted investments	-	-	91.6	91.6
Interest rate swaps designated as hedging instruments	-	383.3	-	383.3
	62.7	**383.3**	**91.6**	**537.6**
Financial Liabilities				
Forward currency contracts	-	(3.7)	-	(3.7)
Interest rate swaps designated as hedging instruments	-	(14.6)	-	(14.6)
	-	**(18.3)**	**-**	**(18.3)**

	Level 1 RM million	Level 2 RM million	Level 3 RM million	Total RM million
At 31 December 2024				
Financial Assets				
Quoted investments	63.7	-	-	63.7
Unquoted investments	-	-	92.2	92.2
Interest rate swaps designated as hedging instruments	-	594.2	-	594.2
	63.7	**594.2**	**92.2**	**750.1**
Financial Liabilities				
Forward currency contracts	-	(1.3)	-	(1.3)
Interest rate swaps designated as hedging instruments	-	(0.1)	-	(0.1)
	-	**(1.4)**	**-**	**(1.4)**

No transfers between any levels of the fair value hierarchy took place during the current and prior year. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A16. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issuance or repayment of debt and equity securities made by the Group during the period ended 31 March 2025.

A17. INTEREST BEARING LOANS AND BORROWINGS

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

	31 March 2025 RM million	31 December 2024 RM million
Short Term Borrowings		
Secured	1,412.2	1,382.2
Unsecured	3,624.0	1,853.4
Lease liabilities	88.2	97.3
	5,124.4	3,332.9
Long Term Borrowings		
Secured	8,821.5	9,199.6
Unsecured	2,691.8	2,785.8
Lease liabilities	193.7	176.0
	11,707.0	12,161.4
Total	**16,831.4**	**15,494.3**

ii) Foreign borrowings in United States Dollar equivalent as at 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025 RM million	31 December 2024 RM million
United States Dollar Borrowings	16,454.3	15,137.5

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A18. DIVIDENDS PAID

The Corporation paid the following dividends in the year ended 31 March 2025 and 31 December 2024:

	31 March 2025 RM million	31 December 2024 RM million
In respect of the financial year ended 31 December 2023:		
Fourth tax exempt dividend of 12.0 sen per share paid on 26 March 2024	-	535.6
In respect of the financial year ended 31 December 2024:		
First tax exempt dividend of 8.0 sen per share paid on 27 June 2024	-	357.1
Second tax exempt dividend of 8.0 sen per share paid on 26 September 2024	-	357.1
Third tax exempt dividend of 8.0 sen per share paid on 17 December 2024	-	357.1
Fourth tax exempt dividend of 12.0 sen per share paid on 20 March 2025	535.6	-

A19. RELATED PARTY TRANSACTIONS

There were no new and significant transactions entered with related parties for the period ended 31 March 2025 compared to the related party transactions disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2024.

A20. CAPITAL COMMITMENTS

The Group's outstanding commitments in respect of capital expenditure not provided for in the financial statements as at 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025 RM million	31 December 2024 RM million
Approved and contracted for:		
Group	9,219.9	7,836.1
	9,219.9	7,836.1

A21. CONTINGENT LIABILITIES

Contingent liabilities of the Group as at 31 March 2025 and 31 December 2024 comprise the following:

	31 March 2025 RM million	31 December 2024 RM million
Unsecured		
Performance bonds on contract and bank guarantees extended to customers	1,413.2	1,261.2

A22. SUBSEQUENT MATERIAL EVENTS

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

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

	Quarter Ended 31 March		Cumulative 3 Months Ended 31 March	
	2025 RM million	2024 RM million	2025 RM million	2024 RM million
Revenue				
Gas Assets & Solutions	636.2	775.3	636.2	775.3
Petroleum & Product	1,252.4	1,359.4	1,252.4	1,359.4
Offshore	510.4	531.7	510.4	531.7
Marine & Heavy Engineering	453.1	984.5	453.1	984.5
Others, Eliminations and Adjustments	(36.0)	(12.6)	(36.0)	(12.6)
Total Revenue	**2,816.1**	**3,638.3**	**2,816.1**	**3,638.3**
Operating Profit/(Loss)				
Gas Assets & Solutions	303.8	361.1	303.8	361.1
Petroleum & Product	370.1	390.1	370.1	390.1
Offshore	261.1	146.6	261.1	146.6
Marine & Heavy Engineering	15.8	14.4	15.8	14.4
Others, Eliminations and Adjustments	(93.6)	(30.2)	(93.6)	(30.2)
Total Operating Profit	**857.2**	**882.0**	**857.2**	**882.0**
Impairment provisions	(30.8)	-	(30.8)	-
Net gain on acquisition of subsidiaries	55.8	-	55.8	-
Gain on disposal of ships	-	74.1	-	74.1
Finance costs	(157.7)	(194.8)	(157.7)	(194.8)
Share of profit of associates	0.8	0.6	0.8	0.6
Share of profit of joint ventures	10.1	9.2	10.1	9.2
Profit Before Tax	**735.4**	**771.1**	**735.4**	**771.1**

PART B – OTHER EXPLANATORY NOTES (continued)

Current quarter's performance against the quarter ended 31 March 2024

Group revenue of RM2,816.1 million was RM822.2 million or 22.6% lower than the quarter ended 31 March 2024 ("corresponding quarter") of RM3,638.3 million, while Group operating profit of RM857.2 million was RM24.8 million or 2.8% lower than the corresponding quarter's profit of RM882.0 million. The variances in Group performance by segments are further explained below.

Gas Assets & Solutions
Revenue of RM636.2 million was RM139.1 million or 17.9% lower than the corresponding quarter's revenue of RM775.3 million due to lower earning days from contract expiries, vessels disposal and lower charter rates in current quarter.

Operating profit of RM303.8 million was RM57.3 million or 15.9% lower than the corresponding quarter's profit of RM361.1 million due to lower revenue as explained above.

Petroleum & Product
Revenue of RM1,252.4 million was RM107.0 million or 7.9% lower than the corresponding quarter's revenue of RM1,359.4 million mainly due to foreign exchange impact from the strengthening Ringgit Malaysia ("RM") against United States Dollar ("USD") in the current quarter. Operationally, the segment's revenue in the current quarter was comparable to the corresponding quarter.

Operating profit of RM370.1 million was RM20.0 million or 5.1% lower than the corresponding quarter's profit of RM390.1 million in tandem with lower revenue as mentioned above. The impact of the strengthening of RM against USD was mitigated by favourable cost optimisation efforts.

Offshore
Revenue of RM510.4 million was RM21.3 million or 4.0% lower than the corresponding quarter's revenue of RM531.7 million due to foreign exchange impact from the strengthening of RM against USD in the current quarter. Operationally, the segment's revenue in the current quarter was comparable to the corresponding quarter.

Operating profit of RM261.1 million was RM114.5 million or 78.1% higher than the corresponding quarter's profit of RM146.6 million primarily driven by a one-time gain arising from the commencement of a new lease contract for an FPSO.

Marine & Heavy Engineering
Revenue of RM453.1 million was RM531.4 million or 54.0% lower than the corresponding quarter's revenue of RM984.5 million primarily due to lower revenue from ongoing Heavy Engineering projects, as several projects are nearing completion, resulting in lower activity and revenue, while the newer projects are still at early stages.

Operating profit of RM15.8 million was RM1.4 million or 9.7% higher than the corresponding quarter's profit of RM14.4 million mainly driven by successful close-out of post sail-aways projects upon the achievement of key milestones.

Others, Eliminations and Adjustments
Others segment's operating loss was RM63.4 million higher than the corresponding quarter's loss due to lower interest income and higher corporate expenses.

PART B – OTHER EXPLANATORY NOTES (continued)

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

GROUP	Quarter Ended 31 March 2025 RM million	Quarter Ended 31 December 2024 RM million
Revenue	**2,816.1**	**3,306.6**
Operating Profit	**857.2**	**376.7**
Impairment provisions	(30.8)	(735.5)
Net gain on acquisition of subsidiaries	55.8	-
Gain on disposal of a ship	-	26.9
Finance costs	(157.7)	(164.6)
Share of profit of associates	0.8	0.3
Share of profit of joint ventures	10.1	58.9
Profit/(loss) Before Tax	**735.4**	**(437.3)**

Group revenue of RM2,816.1 million was RM490.5 million or 14.8% lower than the preceding quarter's revenue of RM3,306.6 million due to lower revenue from Marine and Heavy Engineering segment as most on-going projects are nearing completion, while newer projects are still at early stages. Additionally, the lower revenue in the Gas Assets & Solutions segment was primarily due to lower earning days resulting from contract expiries, vessel disposals and lower charter rates during the current quarter.

Group operating profit of RM857.2 million was RM480.5 million higher than the preceding quarter's profit of RM376.7 million from Offshore Business following one-time gain from the commencement of a new lease contract for an FPSO as mentioned above and from Gas Assets & Solutions segment mainly due higher operating costs in preceding quarter.

PART B – OTHER EXPLANATORY NOTES (continued)

B3. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2025 RM million	As at 31 December 2024 RM million
Total assets	60,652.2	60,435.2
Total equity attributable to equity holders of the Corporation	37,337.2	37,604.1
Total liabilities	22,608.5	22,121.7

The Group's total assets, total equity and total liabilities recorded marginal movements since the end of the last financial year.

B4. REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative 3 Month Ended	
	31 March 2025 RM million	31 March 2024 RM million
Net cash generated from operating activities	773.1	210.8
Net cash used in investing activities	(268.3)	(431.7)
Net cash generated from/(used in) financing activities	792.0	(631.5)
Net change in cash and cash equivalents	1,296.8	(852.4)

The Group’s net cash generated from operating activities of RM773.1 million was higher by RM562.3 million compared to RM210.8 million in the corresponding period, due to lower payments made to creditors.

The Group’s net cash used in investing activities of RM268.3 million was lower by 37.9% or RM163.4 million compared to RM431.7 million in corresponding period mainly due to lower payment on capital expenditure for ships, property, plant and equipment in the current period.

The Group recorded net cash generated from financing activities of RM792.0 million in the current period mainly from higher drawdowns of loans and borrowings in the current period. In the corresponding period, the Group recorded net cash used in financing activities of RM631.5 million mainly due to dividend payment to shareholders.

PART B – OTHER EXPLANATORY NOTES (continued)

B5. GROUP CURRENT YEAR PROSPECTS

LNG carrier spot rates are expected to remain subdued from continuous oversupply of vessels due to high newbuild deliveries and delays in new LNG liquefaction projects. Rates are anticipated to improve 2026 onwards, supported by a gradual increase in LNG supply as delayed liquefaction projects become operational. Despite these challenges, the Gas Assets & Solutions segment remains focused on executing strategic growth initiatives and exploring strategic opportunities for its spot vessels to weather the downturn.

For the Petroleum and Products segment, the tanker market outlook is expected to be mixed. VLCC rates are forecasted to slightly outperform those of mid-sized tankers, underpinned by a stagnant fleet growth and sustained demand for long-haul crude exports from the Americas and the Middle East to Asia. Meanwhile, mid-sized tankers are likely to come under pressure from higher vessel availability resulting from a wave of new vessel deliveries. Additionally, the increasingly complex regulatory requirements and dynamic geopolitical environment could present further risks to the shipping market stability. Nevertheless, the Petroleum and Products segment will continue to be supported by its fleet of long-term chartered vessels and niche lightering business.

The outlook for the Offshore segment remains positive, supported by sustained global energy demand which continue to spur investment momentum in upstream developments. These favourable market conditions are driving the expansion of Floating Production Storage and Offloading (FPSO) activities across key regions, particularly South America, West Africa, and the Asia-Pacific. The segment's long-term contracts, together with cash flows from FPSO Marechal Duque de Caxias, are expected to strengthen the segment's financial performance in 2025. The Offshore segment remains committed to enhancing its market presence and pursuing strategic growth opportunities, while maintaining resilience in an evolving and complex market environment.

For the Marine & Heavy Engineering segment, heightened geopolitical tensions and potential tariff escalations have contributed to a more cautious environment. The Heavy Engineering sub-segment remained well positioned to capitalise on opportunities in the new energy sector, while sustaining its presence in the conventional sector to maintain a balanced portfolio. The Marine sub-segment continues to pursue strategic partnerships and expand its market presence, with a focus on securing high-value repair and conversion projects. The Marine & Heavy Engineering segment remains committed to pursuing contracts aligned with its strategic objectives, supporting sustainable performance and long-term growth.

B6. PROFIT FORECAST AND PROFIT GUARANTEE

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

PART B – OTHER EXPLANATORY NOTES (continued)

B7. TAXATION

	Quarter Ended 31 March 2025 RM million
Taxation for the period comprises the following charge:	
Income tax charge	
- current period	(23.9)
- prior year	0.1
	(23.8)

Section 54A of the Malaysian Income Tax Act, 1967 was amended effective from Year of Assessment ("YA") 2012, in which the tax exemption on shipping profits was reduced from 100% to 70%. The implementation of the amended Section 54A, however, has previously been deferred up to YA2023 via several gazette orders issued by the Ministry of Finance ("MOF").

On 5 July 2024, MOF issued another Gazette Order (i.e. Income Tax (Exemption for Malaysian Ship) Order 2024 (P.U. (A) 184) granting a further extension of the 100% shipping tax exemption from YA2024 to YA2026. The exemption is granted subject to the Malaysian shipping companies comply with the minimum substance requirements in terms of annual operating expenditure and minimum number of full-time Malaysian employees for each Malaysian ship for both shore employees and ship personnel.

Based on the latest Gazette Order, the Group would be able to continue to enjoy the 100% shipping tax exemption up to YA 2026 on the basis that the substance requirements as per Gazette Order are duly met.

The taxation charge in the accounts is attributable to tax in respect of another jurisdiction and other activities of the Group.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There were no outstanding corporate proposals submitted by the Group for the quarter ended 31 March 2025.

PART B – OTHER EXPLANATORY NOTES (continued)

B9. CHANGES IN MATERIAL LITIGATION

i) Gumusut-Kakap Semi-Floating Production System (L) Limited ("GKL") and Sabah Shell Petroleum Limited ("SSPC")

We refer to previous announcements made by MISC Berhad ("MISC or the Company") in respect of the Arbitration Proceedings commenced by the Company's wholly-owned subsidiary, Gumusut-Kakap Semi-Floating Production System (L) Limited ("GKL") against Sabah Shell Petroleum Company Limited ("SSPC"), in particular to the announcement on 10 April 2020 regarding the award issued by the Arbitral Tribunal and on 30 December 2022 regarding the decision of the High Court.

As announced on 10 April 2020, the Arbitral Tribunal has issued its Award on 8 April 2020 ("Award") which found, among others, as follows:

(1) That GKL's claim in relation to the achievement of Handover Completion under the Contract was rejected and the Arbitral Tribunal decided that Handover Completion did not occur prior to 11 October 2014;

(2) In relation to GKL's claims for Variation Works, GKL was awarded:
   a. USD222.1 million,
   b. That an amount of USD88.8 million is deducted from USD222.1 million being manpower costs incurred by way of the Variation Works for rectification of defects (which the Tribunal held GKL to be liable for);
   c. That the remainder sum of USD133.3 million is converted to an Additional Lease Rate and represents a reduction from the Additional Lease Rate awarded by the Adjudication Awards. The new Additional Lease Rate is payable from the date of the Award. The base rate is unaffected by the Award and will continue for the Fixed Term.

(3) SSPC was awarded the following sums:
   a. USD236.4 million for defects rectification work (inclusive of USD15.0 million for Liquidated Damages);
   b. USD88.3 million as a refund for overpayment of the Additional Lease Rate originally awarded in the Adjudication Proceedings for the period of April 2014 to January 2020 due to the reduction of the Additional Lease Rate as set out in Item 2(c) above;
   c. Applicable interest up to the date of the Award;
   d. Costs of USD12.7 million;
   e. Interest at 6.65% on the sums awarded from the date of the Award until payment.

(4) SSPC is entitled to set-off the above claims against moneys owed by SSPC to GKL under the Contract, including but not limited to the lease rate.

(5) Any GST payable pursuant to the Goods and Services Tax Act 2014 to be accounted by the parties.

Proceedings Post the Award

GKL was advised that it has legal grounds to challenge the Award and on 7 July 2020, GKL has filed the following court applications:

(i) an Originating Summons dated 7 July 2020 for setting aside of parts of the Arbitral Award dated 8 April 2020 ("Setting Aside OS"); and

(ii) a Notice of Application for an injunction to restrain SSPC from setting off the sums that GKL was ordered to pay to SSPC under the Arbitral Award dated 8 April 2020 ("Injunction NOA").

PART B – OTHER EXPLANATORY NOTES (continued)

Setting Aside OS

On 7 July 2020, GKL filed an Originating Summons to set aside parts of the Arbitral Award dated 8 April 2020. The proceeding of this Setting Aside OS was delayed due to the COVID-19 situation and the various applications filed by both Parties in relation to this matter:

(i) Setting Aside OS

GKL's Setting Aside OS was heard on 20 and 25 October 2021, 13 January 2022, 16 and 17 February 2022, 4 April 2022, 10 August 2022 and 23 September 2022. As announced on 30 December 2022, the High Court had dismissed GKL's Originating Summons to set aside parts of the Arbitral Award on 29 December 2022 with costs. Upon review of the written grounds of the High Court, GKL has been advised that it has legal grounds to appeal against the High Court's decision and has filed notices of appeal to the Court of Appeal on 19 January 2023. The appeal was originally fixed for hearing on 29 March 2024. On 27 March 2024, we were informed that the hearing has been rescheduled to 3 September 2024. On 25 July 2024 we were informed that the hearing has been rescheduled to 10 February 2025. On 10 February 2025, the hearing was adjourned by the Court of Appeal. At the case management on 14 February 2025 the hearing was rescheduled to 20 and 21 August 2025.

(ii) Injunction NOA

On 6 October 2020, GKL withdrew the Injunction NOA on the basis that a statutory stay of enforcement is automatically imposed on SSPC upon GKL's application to set aside SSPC's Award enforcement.

Additionally, GKL had filed an interim application preventing SSPC from enforcing the Award prior to the determination of the Setting Aside OS. This application was heard on 16 August 2021 and 1 October 2021. On 25 October 2021, the High Court dismissed GKL's interim application and decided that SSPC has the right to set off the award against the charter hire without full grounds of judgment. On 22 November 2021 GKL filed an appeal to the Court of Appeal against the High Court's decision which was heard on 6 July 2022. On 7 November 2022, the Court of Appeal dismissed GKL's appeal in respect of the interim application. General grounds were delivered orally and no written grounds were provided by the Court of Appeal.

ii) Malaysia Offshore Mobile Production (Labuan) Ltd ("MOMPL") and PCPP Operating Company Sdn Bhd ("PCPP")

Malaysia Offshore Mobile Production (Labuan) Ltd ("MOMPL"), MISC Berhad's wholly owned subsidiary, and PCPP Operating Company Sdn Bhd ("PCPP") are parties to an Agreement for the Leasing, Operation and Maintenance of Two (2) Plain Mobile Offshore Production Unit Facilities for D30 and Dana Fields Development Project dated 28 November 2008 ("the Contract").

PCPP is a joint operating company with shareholders comprising PETRONAS Carigali Sdn Bhd (40%) ("PCSB"), PT Pertamina Hulu Energi (30%) ("PPHE") and PetroVietnam Exploration Production Corporation Ltd (30%) ("PVEP").

A dispute has arisen between the parties in relation to the Contract and there are substantial sums due and owing to MOMPL. Attempts to resolve the matter by means of a commercial settlement agreement failed to materialise and MOMPL was constrained to proceed with legal proceedings against PCPP to seek to recover the sums outstanding to MOMPL for the lease rates, payment for completed variation works, early termination fees, reimbursement of demobilisation costs and associated costs under the Contract totalling to approximately USD99.8 million and service rates totalling approximately RM22.6 million. In this respect, the following actions have been filed:

PART B – OTHER EXPLANATORY NOTES (continued)

Adjudication

1. Adjudication proceedings under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") was first commenced to recover MOMPL's claim for the completed variation works amounting to approximately USD9.9 million. On 9 January 2019, MOMPL was awarded its entire claim of USD9.9 million plus interest and costs.

2. The second adjudication proceedings under CIPAA was commenced to recover the disputed demobilisation costs amounting to approximately USD4.8 million. On 7 October 2019, MOMPL received the second Adjudication decision dated 26 July 2019 where MOMPL was awarded its entire claim of USD4.8 million plus interest and costs.

3. The Federal Court ("FC") had on 16 October 2019 made a ruling that the CIPAA, which provides the basis upon which the Adjudication Proceedings were commenced, only applies prospectively to construction contracts entered into after the date CIPAA became effective i.e. 15 April 2014. The MOMPL lease agreement is dated 28 November 2008 and as such, falls outside the purview of CIPAA.

4. In view of the FC decision, MOMPL has stayed its hand on moving for the enforcement of the Adjudication decisions and will focus on the Arbitration Proceedings in order to recover the monies owing by PCPP.

5. As far as MOMPL is aware, there is no pending application to set aside the said Adjudication decisions.

Arbitration

6. The first arbitration proceedings seek to claim for part of the outstanding sums amounting to approximately USD18.8 million and RM17.9 million. MOMPL's Statement of Claim was filed on 21 December 2016.

7. MOMPL has re-filed the Notice of Arbitration for the second arbitration proceedings for part of the outstanding sums amounting to approximately USD81.0 million and RM4.7 million. PCPP has responded to the Notice of Arbitration on 15 July 2020.

8. The arbitral tribunal for both arbitration proceedings have now been constituted respectively and parties are in the midst of negotiating and finalising the terms of appointment. However, given the development in the filing of the Winding-up Proceedings, MOMPL has written to the arbitral tribunal for both the first and second arbitrations to request for the proceedings to be kept in abeyance until the Winding-up Proceedings is disposed of by the High Court.

Proceedings in Court

Originating Summons against PCPP for Early Termination Fees and Demobilisation Costs

9. On 7 August 2018 an Originating Summons was filed in the High Court to recover the undisputed portion of the early termination fees and demobilisation costs amounting to approximately USD42.3 million.

    a. On 30 May 2019, the High Court, allowed PCPP's application to stay the Originating Summons pending the disposal of the arbitration proceedings. MOMPL filed an appeal to the Court of Appeal ("CA") against this decision which was heard on 12 April 2021. The CA set aside the stay application granted by the High Court and instead imposed a conditional stay on PCPP wherein PCPP is required to deposit a sum of USD7.8 million into a joint account held by both parties' solicitors within 30 days, failing which MOMPL will be able to proceed with the full hearing in the High Court action against PCPP. PCPP failed to make any such deposit and therefore the Originating Summons was reinstated in the High Court at MOMPL's request.

PART B – OTHER EXPLANATORY NOTES (continued)

b. The matter was heard on both 7 October 2021 and 26 October 2021, the High Court decided the matter in favour of MOMPL. MOMPL has now been awarded the full sum claimed amounting to USD42.3 million together with interest and costs which is to be paid by PCPP. PCPP did not file any appeal against the High Court's decision however PCPP failed to pay the sum awarded to MOMPL. Due to PCPP's failure to pay the sum awarded, MOMPL proceeded to issue a Statutory Notice pursuant to Sections 465 and 466 of the Companies Act 2016 against PCPP on 14 December 2021.

Writ Action for Declaration against the Shareholders of PCPP

10. A writ action in the High Court was also filed on 13 August 2018 against PCSB, PPHE and PVEP (being the shareholders of PCPP) seeking for a declaration that the shareholders be liable for the amounts due and owing by PCPP to MOMPL under the Contract. PCSB and PCPP filed applications in the High Court to strike out ("PCSB's Striking Out Application") and stay the proceedings pending the disposal of the arbitration proceedings ("PCPP's Stay Application") which were allowed on 26 October 2018 and 11 December 2018 respectively. MOMPL appealed against both decisions to the Court of Appeal.

    a. MOMPL's appeal against PCSB's Striking Out Application by the High Court was dismissed by the Court of Appeal on 26 September 2019. MOMPL has filed leave to appeal against the Court of Appeal's decision to uphold the High Court's decision to strike out the proceedings against PCSB to the Federal Court. On 18 August 2020, the Federal Court dismissed MOMPL's appeal.

    b. MOMPL's appeal against PCPP's Stay Application by the High Court was heard by the Court of Appeal on 19 June 2020. The Court of Appeal has set aside the stay against the shareholders i.e. PCSB, PPHE and PVEP, whilst the stay against PCPP is affirmed. Pursuant to this decision, MOMPL has proceeded to serve the cause papers out of jurisdiction on PPHE and PVEP. PVEP failed to respond to MOMPL's claim and therefore MOMPL applied for a summary judgment against PVEP. PPHE filed an application in the High Court of Malaysia to challenge the service of the cause papers in Indonesia which was heard on 11 August 2021. On 24 September 2021, the High Court allowed PPHE's application. MOMPL has elected to await the outcome of the Winding-up Proceedings against PCPP and will consider whether to file a fresh claim against PCPP's shareholders thereafter.

Winding Up of PCPP

11. MOMPL issued a Statutory Notice pursuant to Sections 465 and 466 of the Companies Act 2016 against PCPP on 14 December 2021 ("Statutory Notice"). PCPP failed to comply with the Statutory Notice and therefore on 25 March 2022, MOMPL proceeded to file a winding-up petition against PCPP in the High Court ("Winding-up Petition"). The Winding-up Petition was heard on 6 September 2022 and a Winding-Up Order against PCPP was granted in the terms prayed for together with costs. This means that PCPP has been wound up and a liquidator has been appointed.

PART B – OTHER EXPLANATORY NOTES (continued)

Proceedings Post Winding Up of PCPP

12. On 24 October 2022, MOMPL filed its Proof of Debt against PCPP together with the supporting documents to substantiate its entire claim.

    a. During the first creditor's meeting which was held on 11 April 2023, MOMPL was informed by PCPP's liquidator that it was PCPP's only creditor and that the liquidator has admitted the full amount of MOMPL's claim against PCPP amounting to USD121.9 million as stated in the Proof of Debt. The liquidator has since requested a cash call from PCPP's shareholders pursuant to the terms of the Joint Operating Agreement executed in respect of PCPP. PCSB responded to dispute the cash call. Following this, the liquidator requested for further information to support PCSB's position. Since there was no response, the liquidator instructed their solicitors to file an application for directions in the Winding Up Court for the cash call to be effectively ordered against PCSB, PPHE and PVEP.

    b. On 15 August 2023 a Forms of Summons was filed by the liquidator to seek directions from the High Court for the cash call ("**Application for Directions**"). On 2 November 2023, the High Court allowed the liquidator's application to serve the court papers out of the jurisdiction, to allow the liquidator to serve the cause papers on PPHE and PVEP in Vietnam and Indonesia.

    c. PCSB appointed solicitors and filed an application to intervene (for PCSB to be added as the party to the proceedings) and the Court allowed PCSB's application to intervene as a party to the liquidator's application on 8 January 2024. A further case management was fixed for 24 January 2024 for the Court to give directions on filing of affidavits, written submissions and to fix a hearing date for the liquidator's Application for Directions.

    d. MOMPL also filed an application to intervene as a party to the liquidator's Application for Directions to enable MOMPL to actively participate in the proceedings. MOMPL's application to intervene was heard and allowed by the High Court on 23 January 2024.

    e. On 29 July 2024, the liquidator withdrew the Application for Directions, with no liberty to file afresh and with costs of RM5,000 to be paid to MOMPL.

    f. On 2 August 2024, MOMPL's solicitors wrote to the liquidator to inquire what further active steps are being taken to explore recovery. On 6 August 2024, the liquidator responded to confirm that upon the advice of PCPP's solicitors, the liquidator intends to commence arbitration proceedings against the shareholders of PCPP.

(collectively referred to as the "**Legal Proceedings**")

If successful, the Legal Proceedings are expected to contribute positively to the earnings per share, gearing and net assets per share of MISC in the future.

PART B – OTHER EXPLANATORY NOTES (continued)

iii) Malaysia Marine and Heavy Engineering Sdn Bhd ("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:-

a. The sum of RM17.2 million 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;
b. The sum of RM9.8 million 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
c. The sum of RM1.0 million for its legal fees and expenses.

In the Final Award, the Arbitral Tribunal dismissed all of KPOC's claim for loss of revenue in the sum of RM28.0 million.

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 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 against the Orders of the High Court dated 30 August 2022. KPOC was instructed to obtain the Grounds of Judgement 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 Appeal of Hearing on 11th 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.

PART B – OTHER EXPLANATORY NOTES (continued)

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.

The Federal Court has fixed the hearing of KPOC's leave application on 17 June 2025.

iv) Malaysia Marine and Heavy Engineering Sdn Bhd ("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 Trans Fame Offshore Sdn Bhd) ("TFO") in relation to claims arising from Subcontractor 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 its 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, commencing or proceeding with arbitration in connection with the said Notice pending the determination by the High Court of its validity.

B10. DIVIDENDS

The Board of Directors has approved a first tax exempt dividend of 8.0 sen per share in respect of financial year 2025 amounting to RM357.3 million. The proposed dividend will be paid on 26 June 2025 to shareholders registered at the close of business on 16 June 2025.

A depositor shall qualify for entitlement to the dividend only in respect of:

i) Shares transferred into the Depositor's Securities Account before 4.30 pm on 16 June 2025 in respect of Ordinary Transfers; and

ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

PART B – OTHER EXPLANATORY NOTES (continued)

B11. TRADE AND OTHER RECEIVABLES, AND CONTRACT ASSETS

	31 March 2025 RM million	31 December 2024 RM million
Trade receivables		
Third parties	3,633.7	3,517.1
Fellow subsidiaries	106.3	146.1
Associates and joint ventures	27.2	40.1
	3,767.2	**3,703.3**
Contract assets	835.9	872.9
Other receivables	317.7	315.5
Less: Impairment	(471.4)	(456.6)
Trade and other receivables	**4,449.4**	**4,435.1**

The Group's normal trade credit terms with its customers range from 7 to 90 days. Credit terms are assessed and approved on a case-by-case basis and each customer is assigned a maximum credit limit.

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

	31 March 2025 RM million	31 December 2024 RM million
Current	860.7	898.2
Past due 1-30 days	222.6	110.2
Past due 31-60 days	31.0	32.6
Past due 61-90 days	18.3	24.8
Past due more than 90 days	2,634.6	2,637.5
	3,767.2	3,703.3
Less: Impairment	(470.0)	(455.1)
Trade receivables, net	**3,297.2**	**3,248.2**

PART B – OTHER EXPLANATORY NOTES (continued)

B12. DERIVATIVES

As part of the Group's efforts to hedge its interest rate risks, the Group entered into interest rate swap ("IRS") arrangements, a form of derivative to convert its interest exposure from floating rate into fixed rate. The maturity of the IRS arrangements coincides with the maturity of the original floating rate loans.

The Group had also entered into forward currency contracts to manage its foreign currency risk.

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

Contract/Tenure	Notional Value RM million	Fair Value as at 31 March 2025 RM million
Foreign currency contracts		
Within 1 year	231.2	(3.7)
	231.2	(3.7)
Interest rate swaps		
1 year to 3 years	5,219.2	78.1
More than 3 years	8,558.6	290.6
	13,777.8	368.7

The Group had entered into IRS arrangements to hedge against adverse movements in interest rates in compliance with the facility agreement as well as forward currency contracts designated as hedges of expected future payments denominated mainly in United States Dollars.

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2024:

(a) the credit risk, market risk and liquidity risk associated with these financial derivatives;

(b) the cash requirements of the financial derivatives; and

(c) the policy in place for mitigating or controlling the risks associated with these financial derivatives.

B13. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group’s derivative financial instruments such as interest rate swaps and foreign currency contracts are measured at fair value. The fair value of the derivative financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include:

(a) using recent arm’s length market transactions;

(b) reference to the current fair value of another instrument that is substantially the same; and

(c) discounted cash flow analysis or other valuation models.

PART B – OTHER EXPLANATORY NOTES (continued)

Any gains or losses arising from changes in fair value on derivative financial instruments during the period that do not qualify for hedge accounting and the ineffective portion of an effective hedge are recognised in the income statement. During the financial year, the Group recorded the following (loss)/gain from change in fair value of derivative financial instruments:

	Quarter Ended 31 March 2025		Cumulative 3 Months Ended 31 March 2025	
	Loss recognised in income statements RM million	(Loss)/gain recognised in other comprehensive income RM million	Loss recognised in income statements RM million	(Loss)/gain recognised in other comprehensive income RM million
Interest rate swaps	-	(228.5)	-	(228.5)
Foreign currency contracts	(5.0)	2.6	(5.0)	2.6

B14. EARNINGS PER SHARE

	Quarter Ended 31 March		Cumulative 3 Months Ended 31 March	
	2025	2024	2025	2024
Basic earnings per share are computed as follows:				
Profit for the period attributable to equity holders of the Corporation (RM million):	705.7	759.9	705.7	759.9
Weighted average number of ordinary shares outstanding (million)	**4,463.7**	**4,463.7**	**4,463.7**	**4,463.7**
Basic earnings per share (sen)	15.8	17.0	15.8	17.0

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

By Order of the Board