

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 31.12.2023 RM'000
Assets		
Property, plant and equipment	1,075,257	1,113,269
Investment in associates	827,362	807,475
Other non-current assets	162,367	156,726
Total non-current assets	2,064,986	2,077,470
Receivables, deposits and prepayments	432,438	404,607
Contract assets	276,452	244,420
Inventories	254,035	333,473
Current tax assets and other assets	9,228	10,394
Cash and bank balances	570,452	394,188
Total current assets	1,542,605	1,387,082
Total assets	3,607,591	3,464,552
Equity		
Share capital	428,320	426,770
Reserves	920,510	863,761
Total equity attributable to owners of the Company	1,348,830	1,290,531
Non-controlling interests	564,175	516,365
Total equity	1,913,005	1,806,896
Liabilities		
Payables and accruals	54,869	36,839
Loans and borrowings	175,600	103,759
Hire purchase and lease liabilities	14,939	18,853
Deferred tax liabilities	111,155	112,348
Total non-current liabilities	356,563	271,799
Provision, payables and accruals	321,811	459,962
Contract liabilities	366,260	232,183
Bills payables	369,955	317,976
Loans and borrowings	248,753	353,495
Hire purchase and lease liabilities	8,299	9,657
Tax liabilities and other liabilities	22,945	12,584
Total current liabilities	1,338,023	1,385,857
Total liabilities	1,694,586	1,657,656
Total equity and liabilities	3,607,591	3,464,552
Net assets per share attributable to owners of the Company (RM)	1.85	1.77

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Revenue (Note 1a)	A9	561,830	440,455	1,944,134	1,255,216
Cost of sales, other income and operating expenses		(528,997)	(459,218)	(1,882,481)	(1,235,299)
Results from operating activities		32,833	(18,763)	61,653	19,917
Interest income		6,527	6,846	18,061	11,260
Finance costs		(6,702)	(10,284)	(23,253)	(27,467)
Operating profit/(loss)	B5	32,658	(22,201)	56,461	3,710
Share of profit/(loss) of associates, net of tax		57,483	30,483	118,636	62,865
Profit/(Loss) before tax	B5	90,141	8,282	175,097	66,575
Tax expense	B6	(16,380)	(12,801)	(38,767)	(30,168)
Profit/(Loss) after tax for the year		73,761	(4,519)	136,330	36,407
Other comprehensive income					
Foreign currency translation differences for foreign operations		46,041	(12,150)	(28,983)	37,053
Movement in revaluation of property, plant equipment, net of tax		-	634	(9)	634
Other comprehensive income/(loss) for the year		46,041	(11,516)	(28,992)	37,687
Total comprehensive income/(loss) for the year		119,802	(16,035)	107,338	74,094
Profit/(Loss) attributable to:					
Owners of the Company		40,985	(21,270)	72,957	(7,982)
Non-controlling interests		32,776	16,751	63,373	44,389
Profit/(Loss) for the year		73,761	(4,519)	136,330	36,407
Total comprehensive income/(expense) attributable to:					
Owners of the Company		69,242	(29,260)	57,430	16,477
Non-controlling interests		50,560	13,225	49,908	57,617
Total comprehensive income/(expense) for the year		119,802	(16,035)	107,338	74,094
Earnings/(Loss) per ordinary share					
Basic (Sen)	B11	5.63	(2.93)	10.04	(1.10)
Diluted (Sen)	B11	5.39	(2.82)	9.61	(1.05)
Note (1a) - Proforma Revenue					
Revenue as reported above		561,830	440,455	1,944,134	1,255,216
Share of revenue of associates		92,471	124,446	406,533	383,566
Total revenue		654,301	564,901	2,350,667	1,638,782
Note					
The Group accounts for its investment in associates and joint venture using the equity method whereby the revenue of associates and joint venture projects are excluded from the Group's revenue in the Consolidated Statements of Comprehensive Income. This Note (1a) shows the pro forma revenue of the Group after including the Group's share of revenue of associates and joint venture projects.					

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)

(The figures have not been audited)

	← Attributable to shareholders of the Company →					Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable					
	Share capital RM'000	Treasury shares RM'000	Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained earnings RM'000			
At 1 January 2023	426,770	(5,561)	349,639	121,577	398,106	1,290,531	516,365	1,806,896
Foreign currency translation differences for foreign operations	-	-	-	(15,518)	-	(15,518)	(13,465)	(28,983)
Movement in revaluation of property, plant and equipment, net of tax	-	-	(9)	-	-	(9)	-	(9)
Profit/(Loss) after tax for the year	-	-	-	-	72,957	72,957	63,373	136,330
Total comprehensive income/(expense) for the year	-	-	(9)	(15,518)	72,957	57,430	49,908	107,338
Share options exercised	1,214	-	-	-	-	1,214	-	1,214
Transfer to share capital for share options exercised	336	-	(336)	-	-	-	-	-
Share-based payments	-	-	1,575	-	-	1,575	328	1,903
Issuance of shares to non-controlling interests	-	-	(563)	(42)	(1,315)	(1,920)	5,187	3,267
Dividend to non-controlling interests	-	-	-	-	-	-	(7,613)	(7,613)
At 31 December 2024	428,320	(5,561)	350,306	106,017	469,748	1,348,830	564,175	1,913,005
At 1 January 2023	426,474	(5,561)	343,257	97,293	397,868	1,259,331	500,411	1,759,742
Foreign currency translation differences for foreign operations	-	-	-	23,825	-	23,825	13,228	37,053
Movement in revaluation of property, plant and equipment, net of tax	-	-	(1,935)	-	2,569	634	-	634
Profit/(Loss) after tax for the year	-	-	-	-	(7,982)	(7,982)	44,389	36,407
Total comprehensive income/(expense) for the year	-	-	(1,935)	23,825	(5,413)	16,477	57,617	74,094
Share options exercised	232	-	-	-	-	232	-	232
Transfer to share capital for share options exercised	64	-	(64)	-	-	-	-	-
Share-based payments	-	-	3,601	-	-	3,601	1,073	4,674
Dilution of interest in subsidiary	-	-	4,794	461	5,931	11,186	(27,961)	(16,775)
Issuance of shares to non-controlling interests	-	-	(14)	(2)	(280)	(296)	380	84
Dividend to non-controlling interests	-	-	-	-	-	-	(14,694)	(14,694)
Deconsolidation of a subsidiary	-	-	-	-	-	-	(461)	(461)
At 31 December 2023	426,770	(5,561)	349,639	121,577	398,106	1,290,531	516,365	1,806,896

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)**

(The figures have not been audited)

	For the 12 Months Year ended 31.12.2024 RM'000	For the 12 Months Year ended 31.12.2023 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	175,097	66,575
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	72,713	75,584
Finance costs	32,907	36,617
Loss/(Gain) on disposal of assets	(15,982)	(5,370)
Inventories/bad debts written (back)/off	540	(139)
Net impairment loss on investment in associate	605	2,315
Net fair value (gain)/loss on investment	(1,889)	(2,955)
Net impairment/(reversal) on property, plant and equipment	2,060	11,324
Net (gain)/loss on fair value adjustments on derivative instruments	1,888	335
Net loss/(gain) on foreign exchange	12,510	(15,014)
Interest income	(18,061)	(11,260)
Property, plant and equipment written off	1,105	244
Net provision/(reversal) for warranties	1,514	367
Share-based payments	1,655	4,674
Share of (profit)/loss of associates	(118,636)	(62,865)
(Reversal)/Provision for slow moving stocks	3	2,584
(Reversal)/Provision for foreseeable losses	8,145	3,922
Net impairment/(recovery) on financial assets and receivables	(3,497)	64,221
Operating profit/(loss) before changes in working capital	152,677	171,159
Changes in working capital:		
Receivables, deposits and prepayments	(22,671)	(4,973)
Inventories	78,902	(36,981)
Payables and accruals	(120,706)	72,314
Amount due from/(to) contract customers	93,380	31,636
Cash generated from/(used in) operations	181,582	233,155
Net income taxes paid	(28,607)	(21,850)
Net cash generated from/(used in) operating activities	152,975	211,305
Cash flows from investing activities		
Acquisition of additional interest in subsidiary	-	(16,775)
Deconsolidation of a subsidiary	-	(461)
Dividend received from associates	77,077	7,200
Interest received	18,061	11,260
Investment in associates	-	(2,041)
Proceeds from acquisition of marketable securities	(1,087)	-
Proceeds from disposal of assets	45,268	11,274
Purchase of property, plant and equipment	(80,254)	(42,378)
Addition to other non-current assets	(4,140)	(2,765)
Net cash generated from/(used in) investing activities	54,925	(34,686)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)**

(The figures have not been audited)

	For the 12 Months Year ended 31.12.2024 RM'000	For the 12 Months Year ended 31.12.2023 RM'000
Cash flows from financing activities		
Dividend paid to non-controlling interests	(7,613)	(14,694)
Interests paid	(31,478)	(33,682)
Proceeds from exercise of share options	1,462	232
Proceeds from issuance of shares to non-controlling interests	3,267	84
Net drawdown/(repayment) of loans and borrowings	7,125	(23,858)
Net cash generated from/(used in) financing activities	(27,237)	(71,918)
Currency translation differences	(9,497)	4,763
Net increase/(decrease) in cash and cash equivalents	171,166	109,464
Cash and cash equivalents at 1 January	394,188	284,709
Cash and cash equivalents at 31 December	565,354	394,173

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

	31.12.2024 RM'000	31.12.2023 RM'000
Cash and bank balances	217,726	260,092
Short-term investments	238,834	71,474
Deposits placed with licensed banks	113,892	62,622
Cash and cash equivalents as per Statement of Financial Position	570,452	394,188
Bank overdrafts	(5,098)	(15)
	565,354	394,173

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements)

MUHIBBAH ENGINEERING (M) BHD
Registration No. 197201001137 (12737-K)
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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)**

A. NOTES TO INTERIM FINANCIAL STATEMENTS

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements") and Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2024:

MFRSs and IC Interpretations

(Including the Consequential Amendments)

Effective Date

- | | |
|---|----------------|
| • Amendments to MFRS 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| • Amendments to MFRS 101: Non-current Liabilities with Covenants | 1 January 2024 |
| • Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| • Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements | 1 January 2024 |

The adoption of the above amendments and Annual Improvements to Standards did not have any material impact on the Group and the Company's financial statements upon their initial application.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

MFRSs and IC Interpretations

(Including the Consequential Amendments, if any)

Effective Date

- | | |
|--|----------------|
| • Amendments to MFRS 121: Lack of Exchangeability | 1 January 2025 |
| • Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets
between an Investor and its Associate or Joint Venture | Deferred |

A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The Auditors' Report of the financial statements for the preceding financial year ended 31 December 2023 was not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. EXCEPTIONAL OR UNUSUAL ITEMS

There were no exceptional or unusual items affecting financial statements of the Group for the current quarter under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect on the current quarter results.

A7. DEBT AND EQUITY SECURITIES

During the financial period under review, a total of 3,181,000 new ordinary shares was issued pursuant to the exercise of Employees' Share Issuance Scheme ("SIS"). Other than as mentioned, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

A8. DIVIDEND PAID

There is no dividend paid during the quarter and financial period under review.

A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Year ended 31.12.2024	
	Revenue RM'000	Profit/(Loss) before tax RM'000
Infrastructure construction	2,105,827	96,857
Cranes and intelligent automation	920,415	87,848
Share of Concessions profits/(loss) (net of tax)	362,014	115,564
	3,388,256	300,269
Less: Group eliminations	(1,037,589)	(125,172)
	<u>2,350,667</u>	<u>175,097</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes to the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A11. MATERIAL SUBSEQUENT EVENTS

There were no material subsequent events from the end of the current quarter to 20 February 2025, which would likely to substantially affect the results of the Group for year 2024.

A12. CHANGES IN THE GROUP'S COMPOSITION

There were no major changes in the composition of the Group in the current quarter under review.

A13. CONTINGENT ASSETS/LIABILITIES

Please refer to note B9 for contingent assets/liabilities for the Group.

A14. CAPITAL COMMITMENTS

Capital commitments approved and contracted unconditionally as at 20 February 2025 is approximately RM55 million.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)**

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

B1. REVIEW OF GROUP PERFORMANCE (YTD 2024 vs. YTD 2023)

The Group reported higher consolidated revenue (including share of associates' revenue) of RM2.35 billion with higher profit before tax of RM175.1 million for the financial period ended 31 December 2024 as compared to consolidated revenue (including share of associates' revenue) of RM1.64 billion and profit before tax of RM66.6 million respectively for the corresponding period ended 31 December 2023.

The group reported improvement in both Group revenue and profit before tax with improvement by all divisions of the Group.

B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q4 2024 vs. Q3 2024)

The Group reported higher consolidated revenue (including share of associates' revenue) of RM654.3 million as compared to RM554.5 million in the preceding quarter mainly due to higher revenue from Cranes automation and airport concessions divisions.

This quarter also reported higher profit before tax of RM90.1 million as compared to RM6.5 million in the preceding quarter mainly due to better performance from Concession division and Cranes divisions.

B3. GROUP'S PROSPECT

a) Secured Order Book

As at 20 February 2025, the Group's total outstanding secured order book in hand for the construction and cranes division is RM1.091 billion.

b) Prospect

The overall global economy is still facing various challenges such as prolonged Russia-Ukraine war and ongoing Middle East conflicts coupled with the global supply chain disruptions and tariff issues.

The infrastructure and oil & gas industry outlook is therefore remain volatile and subject to the development of these geopolitical situation.

B4. PROFIT FORECAST

The Group has not issued any profit forecast to authorities and is not subject to any profit guarantee.

B5. PROFIT/(LOSS) BEFORE TAX

	Current Quarter 31.12.2024 RM'000	Cumulative Quarter 31.12.2024 RM'000
Profit/(Loss) before tax is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	18,567	72,713
Finance costs	10,320	32,907
Interest income	(6,527)	(18,061)
Net loss/(gain) on foreign exchange	(9,570)	12,510
Net (gain)/loss on derivatives	3,479	1,888
Net fair value (gain)/loss on investment	(51)	(1,889)
Loss/(Gain) on disposal of assets	(3,566)	(15,982)
Net impairment/(recovery) on financial assets and receivables	3,971	(3,497)
Net impairment loss on investment in associate	151	605
Inventories/bad debts written (back)/off	488	540
(Reversal)/Provision for slow moving stocks	485	3
Net impairment/(reversal) on property, plant and equipment	2,765	2,060
Property, plant and equipment written off	(586)	1,105
(Reversal)/Provision for foreseeable losses	8,330	8,145
	8,330	8,145

B6. TAXATION

	Current Quarter 31.12.2024 RM'000	Cumulative Quarter 31.12.2024 RM'000
Current tax expense		
Malaysia	3,401	21,307
Overseas	11,962	18,032
	15,363	39,339
Deferred tax income		
Malaysia	850	(1,066)
Overseas	168	494
	1,018	(572)
Total tax expense	16,381	38,767

The Group's effective tax rate (excluding the results of associates which are equity accounted net of tax) for the financial period under review is higher than the statutory tax rate mainly due to different tax rates in applicable foreign jurisdictions, deferred tax assets not recognised, balancing charge on disposal of fixed assets and there is no group tax relief applicable for different listed companies and foreign jurisdiction.

B7. CORPORATE PROPOSALS

There was no other corporate proposals announced but not yet completed as at the date of this report.

B8. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign Currency		31.12.2024 RM'000
	Currency	Amount	
Short term borrowings		'000	
Secured	RM	598	598
	DKK	1,454	907
	Sub- total		1,505
Unsecured	RM	247,248	247,248
	AUD	-	-
	Sub- total		247,248
Total Short Term Borrowings			248,753
Long term borrowings			
Secured	RM	6,100	6,100
	Sub- total		6,100
Unsecured	RM	169,500	169,500
Total Long Term Borrowings			175,600
Total Gross Borrowings			424,353

B9. UPDATES ON MATERIAL LITIGATIONS

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

(i) In October 2022, with regards to the claim by the Syrian Civil Aviation Authority ("SCAA") against MEB, the Council of State of Syria ("COS") has awarded SCAA EURO 3.17 million (approximately RM16 million). MEB filed an application to nullify this award on the ground that this arbitration must be carried out in Dubai instead of Syria in accordance to the contract agreement signed by both parties. However, MEB's application was dismissed on 28 February 2024 by the Supreme Administrative Court in Syria.

Meanwhile, on 20 February 2024, the tribunal at Dubai International Arbitration Centre ("DIAC") issued an award in favour of MEB for the sum of EURO8.8 million (approximately RM45.6 million) plus legal costs and interest costs until full payment by SCAA. SCAA has filed to nullify the award in Dubai Court. SCAA's application to nullify the award was dismissed by the Court of Cassation in Dubai on 25 September 2024.

(ii) The arbitration for claim against TTCL Malaysia Sdn Bhd (formerly known as Toyo Thai Malaysia Sdn Bhd), remains ongoing.

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

MEB Group filed applications for judicial review at the Kuala Lumpur High Court ("the High Court") for an order to quash the notices of assessment of approximately RM23.0 million. On 1 April 2024, the High Court held that the matters should be heard at the Special Commissioners of Income Tax ("SCIT").

This is not in line with the earlier decisions made by the Court of Appeal ("COA") and Federal Court that these matters are to be heard in judicial review proceedings at the High Court instead of SCIT. MEB Group appealed against this decision to the COA. The hearing in the COA is fixed on 23 Oct 2025 while the SCIT hearing is fixed in May 2025.

B10. PROPOSED DIVIDEND

The directors recommend a first and final tax exempt dividend of 3.00 sen per ordinary share in respect of the financial ended 31 December 2024 subject to approval of the shareholders at the forthcoming Annual General Meeting. This final dividend payable is approximately RM22.0 million.

This first and final dividend for 2024 is computed based on the issued and paid up share capital (excluding treasury share) of 728.9 million ordinary shares as at 31 December 2024.

B11. EARNINGS PER SHARE ("EPS")

Basic/Diluted EPS

	Basic EPS		Diluted EPS	
	Current 31.12.2024	Cumulative 31.12.2024	Current 31.12.2024	Cumulative 31.12.2024
Net profit attributable to the owners of the Company (RM'000)	40,985	72,957	40,985	72,957
Weighted average number of ordinary shares in issue ('000) (net of treasury share hold by company)	728,036	726,867	728,036	726,867
Exercise of Share options ('000)	-	-	32,361	32,361
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	728,036	726,867	760,397	759,228
EPS (Sen)	5.63	10.04	5.39	9.61

The share options granted to employee in 2022 expired on 26 July 2027.

B12. COMPARATIVE FIGURES

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

By order of the Board of Directors
Company Secretary
Date : 28 February 2025