

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 March 2025

The figures have not been audited

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2025

	QUARTER ENDED		CUMULATIVE 3 MONTHS ENDED	
	31 MAR 2025	31 MAR 2024	31 MAR 2025	31 MAR 2024
	RM '000	RM '000	RM '000	RM '000
Revenue	453,100	984,469	453,100	984,469
Other operating (expenses)/income	<u>(4,328)</u>	<u>4,529</u>	<u>(4,328)</u>	<u>4,529</u>
Operating profit	15,365	14,446	15,365	14,446
Finance cost	(2,691)	(3,535)	(2,691)	(3,535)
Profit before taxation	<u>12,674</u>	<u>10,911</u>	<u>12,674</u>	<u>10,911</u>
Taxation	<u>(436)</u>	<u>(488)</u>	<u>(436)</u>	<u>(488)</u>
Profit after taxation	<u>12,238</u>	<u>10,423</u>	<u>12,238</u>	<u>10,423</u>
Other comprehensive income:				
Fair value through other comprehensive income:				
Changes in fair value of hedging derivatives	<u>2,622</u>	<u>116</u>	<u>2,622</u>	<u>116</u>
Total comprehensive income for the period	<u>14,860</u>	<u>10,539</u>	<u>14,860</u>	<u>10,539</u>
Profit attributable to:				
Equity holders of the Company	12,238	10,423	12,238	10,423
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,238</u>	<u>10,423</u>	<u>12,238</u>	<u>10,423</u>
Total comprehensive income attributable to:				
Equity holders of the Company	14,860	10,539	14,860	10,539
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,860</u>	<u>10,539</u>	<u>14,860</u>	<u>10,539</u>
Profit per share attributable to equity holders of the Company:				
(i) Basic (sen)	0.8	0.7	0.8	0.7
(ii) Dilutive (sen)	0.8	0.7	0.8	0.7

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

	31 MAR 2025	31 DEC 2024
	RM '000	RM '000
Non-current assets		
Property, plant and equipment	1,550,334	1,534,988
Right-of-use assets	185,510	187,480
Investment in joint ventures	57	57
Deferred tax assets	94,047	94,047
	<u>1,829,948</u>	<u>1,816,572</u>
Current assets		
Inventories	3,007	2,637
Trade and other receivables	995,152	1,253,712
Cash and bank balances	447,285	457,591
	<u>1,445,444</u>	<u>1,713,940</u>
TOTAL ASSETS	<u>3,275,392</u>	<u>3,530,512</u>
Equity attributable to equity holders of the Company		
Share capital	1,618,263	1,618,263
Cash flow hedge reserve	(5,063)	(7,685)
Accumulated losses	(218,823)	(231,061)
	<u>1,394,377</u>	<u>1,379,517</u>
Non-controlling interests	839	839
Total equity	<u>1,395,216</u>	<u>1,380,356</u>
Non-current liabilities		
Borrowing	211,675	221,949
Lease liabilities	6,301	6,479
	<u>217,976</u>	<u>228,428</u>
Current liabilities		
Trade and other payables	1,617,582	1,879,924
Borrowings	39,918	39,303
Lease liabilities	744	753
Derivatives	3,684	1,278
Tax payable	272	470
	<u>1,662,200</u>	<u>1,921,728</u>
Total liabilities	<u>1,880,176</u>	<u>2,150,156</u>
TOTAL EQUITY AND LIABILITIES	<u>3,275,392</u>	<u>3,530,512</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2025

	31 MAR 2025	31 MAR 2024
	RM '000	RM '000
Profit before taxation	12,674	10,911
Adjustments for:		
Property, plant and equipment		
- depreciation	17,118	17,385
Right-of-use assets		
- amortisation	1,969	1,969
Net allowance of impairment loss on trade receivables	368	1,547
Interest income	(1,807)	(1,728)
Net unrealised gain on foreign exchange	(618)	(2,198)
Changes in fair value of hedging derivatives	5,028	(1,492)
Finance cost	2,691	3,535
Operating profit before working capital changes	37,423	29,929
Inventories	(370)	(339)
Trade and other receivables	258,806	(477,053)
Trade and other payables	(261,295)	143,889
Cash generated from/(used in) operations	34,564	(303,574)
Tax paid	(634)	(195)
Net cash generated from/(used in) operating activities	33,930	(303,769)
Purchase of property, plant and equipment	(32,463)	(15,979)
Interest received	764	926
Net cash used in investing activities	(31,700)	(15,053)
Drawdown of revolving credits	-	219,000
Repayment of revolving credits	-	(68,000)
Repayment of principal on long term borrowing	(9,659)	(9,265)
Interest paid on long term borrowing	(2,606)	(3,442)
Payment of lease liabilities	(187)	(180)
Interest paid on lease liabilities	(85)	(93)
Net cash (used in)/generated from financing activities	(12,537)	138,020
Net change in cash & cash equivalents	(10,307)	(180,802)
Cash & cash equivalents at the beginning of the period	445,410	545,389
Cash & cash equivalents at the end of the period	435,103	364,587
Cash at banks and in hand	381,894	285,290
IFSSC bank balance	64,940	91,450
Deposits with licensed banks	450	29
	447,285	376,769
Less: Cash pledged with the bank - restricted	(12,182)	(12,182)
	435,103	364,587

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

	<-----Attributable to equity-----> holders of the Company					
	Share Capital	Accumulated Losses	Fair Value through OCI Reserve	Total	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
3 MONTHS ENDED 31 MARCH 2025						
At 1 January 2025	1,618,263	(231,061)	(7,685)	1,379,517	839	1,380,356
Total comprehensive income	-	12,238	2,622	14,860	-	14,860
At 31 March 2025	<u>1,618,263</u>	<u>(218,823)</u>	<u>(5,063)</u>	<u>1,394,377</u>	<u>839</u>	<u>1,395,216</u>
3 MONTHS ENDED 31 MARCH 2024						
At 1 January 2024	1,618,263	(352,057)	325	1,266,531	809	1,267,340
Total comprehensive income	-	10,423	116	10,539	-	10,539
At 31 March 2024	<u>1,618,263</u>	<u>(341,634)</u>	<u>441</u>	<u>1,277,070</u>	<u>809</u>	<u>1,277,879</u>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL REPORT

A1. CORPORATE INFORMATION

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

These unaudited condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 26 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 Listing Requirement of Bursa Malaysia Berhad. The results for this interim financial statements are unaudited and should be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the year ended 31 December 2024.

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

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

A3. SIGNIFICANT ACCOUNTING POLICIES

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

At the beginning of the current financial year, the Group and the Company have adopted the following revised MFRSs and Amendments to MFRSs (collectively referred to as "pronouncements") that have been issued by the MASB:

Effective for annual periods beginning on or after 1 January 2025

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

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

A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A5. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A6. EXCEPTIONAL ITEMS

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

A7. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

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

A8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

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

A9. BORROWINGS

The tenure of Group borrowings is as follows:

	31 Mar 2025	31 Dec 2024
	RM '000	RM '000
Secured - Term Loan		
Current	39,918	39,303
Non-current	211,675	221,949
	<u>251,593</u>	<u>261,252</u>

A10. SEGMENT REPORT

Segmental analysis for the current financial period is as follows:

	Heavy Engineering	Marine	Others	Eliminations	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE AND RESULTS					
Revenue					
External	<u>320,200</u>	<u>132,900</u>	<u>-</u>	<u>-</u>	<u>453,100</u>
Results					
Operating profit/(loss)	<u>2,213</u>	<u>17,387</u>	<u>(4,226)</u>	<u>(9) *</u>	<u>15,365</u>
Finance costs					(2,691)
Profit before taxation					<u>12,674</u>

* Inter-segment transactions are eliminated on consolidation.

A11. PROFIT FOR THE PERIOD

	Quarter Ended		Cumulative 3 Months Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after charging:				
Property, plant and equipment				
- depreciation	17,118	17,385	17,118	17,385
Right-of-use assets				
- amortisation	1,969	1,969	1,969	1,969
Changes in fair value of hedging derivatives	5,028	-	5,028	-
Finance cost	2,691	3,535	2,691	3,535
Net allowance of impairment loss on trade receivables	368	1,547	368	1,547
Rental expenses				
- Plant and machineries	3,007	5,525	3,007	5,525
- Office equipment	1,475	1,197	1,475	1,197
- Transportation	1,573	1,743	1,573	1,743
- Others	343	113	343	113

	Quarter Ended		Cumulative 3 Months Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after (crediting):				
Net income from scrap disposal	(1,018)	(558)	(1,018)	(558)
Interest income	(1,807)	(1,728)	(1,807)	(1,728)
Changes in fair value of hedging derivatives	-	(1,492)	-	(1,492)
Net unrealised gain on foreign exchange	(618)	(2,198)	(618)	(2,198)
Rental income	(498)	(854)	(498)	(854)

A12. VALUATION OF PROPERTY

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

A13. SUBSEQUENT MATERIAL EVENTS

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

A14. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group.

A15. DISCONTINUED OPERATIONS

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

A16. CONTINGENT LIABILITIES

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

	31 Mar 2025	31 Dec 2024
	RM '000	RM '000
Unsecured		
Bank guarantees extended to:-		
- Related companies	557,267	556,153
- Third parties	433,593	477,673
	<u>990,860</u>	<u>1,033,826</u>

A17. CAPITAL COMMITMENTS

	31 Mar 2025 RM '000	31 Dec 2024 RM '000
Approved and contracted for	178,235	120,274
Approved but not contracted for	70,619	152,860
	<u>248,854</u>	<u>273,134</u>

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

A18. FAIR VALUE HIERARCHY

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

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

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

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

Fair value of financial instruments carried at fair value				
	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000
At 31 March 2025				
Financial liability				
Forward currency contracts	-	(3,684)	-	(3,684)
At 31 December 2024				
Financial liability				
Forward currency contracts	-	(1,278)	-	(1,278)

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

Fair value of financial instruments not carried at fair value					
	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000	Carrying amount RM '000
At 31 March 2025					
Financial liability					
Term loan					
- fixed rate	-	(236,073)	-	(236,073)	(251,593)
At 31 December 2024					
Financial liability					
Term loan					
- fixed rate	-	(244,463)	-	(244,463)	(261,252)

A19. RELATED PARTY TRANSACTIONS

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

B1. REVIEW OF PERFORMANCE

	Quarter Ended		Cumulative 3 Months Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM '000	RM '000	RM '000	RM '000
Revenue				
Heavy Engineering	320,200	869,086	320,200	869,086
Marine	132,900	115,383	132,900	115,383
	<u>453,100</u>	<u>984,469</u>	<u>453,100</u>	<u>984,469</u>
Results				
Heavy Engineering	2,213	283	2,213	283
Marine	17,387	13,794	17,387	13,794
Others	(4,226)	378	(4,226)	378
Eliminations/Adjustments *	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>
Operating profit	<u>15,365</u>	<u>14,446</u>	<u>15,365</u>	<u>14,446</u>
Finance cost	(2,691)	(3,535)	(2,691)	(3,535)
Profit before taxation	<u>12,674</u>	<u>10,911</u>	<u>12,674</u>	<u>10,911</u>

* Inter-segment transactions are eliminated on consolidation.

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

The Group recorded a revenue of RM453.1 million for the current quarter, representing a decrease of RM531.4 million compared to RM984.5 million in the corresponding quarter. The decline was primarily due to lower revenue contribution from the Heavy Engineering segment.

Despite the decline in revenue, the Group achieved an improved operating profit of RM15.4 million, an increase of RM1.0 million compared to RM14.4 million recorded in the corresponding quarter. The improvement was contributed by both Heavy Engineering and Marine segments.

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

Heavy Engineering

The Heavy Engineering segment recorded a revenue of RM320.2 million in the current quarter, a decrease of RM548.9 million from RM869.1 million in the corresponding quarter. The decline was primarily due to several ongoing projects nearing completion, resulting in lower activity and revenue, while the newer projects are still at early stages.

The segment reported an operating profit of RM2.2 million in the current quarter, an improvement from RM0.3 million in the corresponding quarter. The increase was primarily driven by successful close-out of post-sail-away projects upon the achievement of key milestones, which positively impacted the segment's financial performance.

Marine

Revenue of RM132.9 million in the current quarter was RM17.5 million higher compared to RM115.4 million revenue in the corresponding quarter as a result of higher conversion activities.

In tandem with the higher revenue, the segment posted an operating profit of RM17.4 million in the current quarter, RM3.6 million higher compared to an operating profit of RM13.8 million in the corresponding quarter.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Quarter Ended	
	31 Mar 2025 RM '000	31 Dec 2024 RM '000
Revenue		
Heavy Engineering	320,200	708,141
Marine	132,900	109,469
	<u>453,100</u>	<u>817,610</u>
Results		
Heavy Engineering	2,213	22,588
Marine	17,387	7,021
Others	(4,226)	(2,816)
Eliminations/Adjustments	<u>(9)</u>	<u>(63)</u>
Operating profit	<u>15,365</u>	<u>26,730</u>
Finance cost	(2,691)	(4,700)
Profit before taxation	<u>12,674</u>	<u>22,030</u>

The Group posted lower revenue of RM453.1 million compared to preceding quarter's revenue of RM817.6 million mainly due to lower revenue from Heavy Engineering segment as most of the on-going projects nearing completion, while newer projects are still at early stages.

The Group recorded an operating profit of RM15.4 million in the current quarter, a decrease from RM26.7 million in Quarter 4 of FY2024. The decline was mainly due to the recognition of change order claims in the Heavy Engineering segment during the preceding quarter. In the current quarter, operating profit was supported by successful post-sail-away projects close-out upon the achievement of key milestones.

B3. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 Mar 2025 RM '000	As at 31 Dec 2024 RM '000	Variance %
Total assets	3,275,392	3,530,512	-7.2%
Total equity attributable to equity holders of the Company	1,394,377	1,379,517	1.1%
Total liabilities	1,880,176	2,150,156	-12.6%

The Group's total assets decreased by RM255.1 million, mainly due to lower receivables of RM258.6 million, attributed to higher collections upon reaching project milestone billings.

Total equity attributable to equity holders increased by RM14.9 million, due to comprehensive income recognised during the period.

The Group's total liabilities decreased by RM270.0 million, primarily due to a reduction in payables of RM262.3 million.

B4. REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative 3 Months Ended		Variance %
	31 Mar 2025 RM '000	31 Mar 2024 RM '000	
Net cash generated from/(used in) operating activities	33,930	(303,769)	>100%
Net cash used in investing activities	(31,700)	(15,053)	>100%
Net cash (used in)/generated from financing activities	(12,537)	138,020	>100%
Net change in cash & cash equivalents	(10,307)	(180,802)	94%

The Group recorded net cash generated from operating activities of RM33.9 million compared to net cash used in operating activities of RM303.8 million in the prior period primarily driven by increased collections from debtors. This was partially offset by payments to vendors, but the overall net impact was positive, reflecting more efficient working capital management during the period.

The Group recorded net cash used in investing activities amounting to RM31.7 million compared to RM15.1 million in the corresponding period mainly due to higher purchases of property, plant and equipment during the current period.

The Group recorded net cash used in financing activities amounting to RM12.5 million in the current period, compared to net cash generated from financing activities of RM138.0 million in the corresponding period. The variance was mainly due to net repayments of term loan during the current period, whereas the corresponding period saw net cash inflow from drawdowns of revolving credit facilities.

B5. CURRENT YEAR PROSPECTS

The ongoing trade war and potential tariff escalations are reshaping global trade dynamics, disrupting supply chains, and contributing to shifting macroeconomic conditions. These developments are prompting a more cautious investment climate.

Despite this challenging environment, the Heavy Engineering segment remains supported by a healthy order book and growing opportunities in the new energy sector. Leveraging on its technical expertise and industry experience, the segment will continue to sustain its presence in conventional energy while driving growth in new energy sectors to maintain a well-balanced portfolio.

Meanwhile, the evolving landscape presents both challenges and opportunities for the Marine segment. To seize these opportunities and navigate ongoing headwinds, the segment is enhancing yard capabilities, exploring strategic partnerships, and expanding its market presence to secure more high-value repair and conversion projects.

B6. PROFIT FORECAST AND PROFIT GUARANTEE

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

B7. TAXATION

	31 Mar 2025 RM '000	31 Mar 2024 RM '000
Taxation for the period comprises the following:		
Income tax		
- current period	436	488
	<u>436</u>	<u>488</u>

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

B8. CHANGES IN MATERIAL LITIGATION**1) 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 RM17,241,178 as damages for the expenses incurred by KPOC for assessment, procurement and replacement of valves in the period of 2016 to 2019, together with interest at the rate of 5% per annum from 11 October 2019 to the date of payment;
- b) The sum of RM9,820,770 as damages suffered by KPOC in having to procure 1,365 valves and install 1,454 valves in the future, together with interest at the rate of 5% per annum from 11 October 2019 till the date of payment; and
- c) The sum of RM1,029,167 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 RM28,030,906.

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

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

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

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

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

On 24 January 2025, the Court of Appeal dismissed the Appeals with a total cost of RM65,000.00 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.

B8. CHANGES IN MATERIAL LITIGATION (CONT'D)**2) 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 Subcontract No. 3900007170 titled "Hook-up And Commissioning Works And Marine Vessels For Bokor Phase 3 Redevelopment Project (Package A)" (hereinafter referred to as "the Subcontract").

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

MMHE will vigorously defend against TFO's claims and is presently exploring its options of pursuing a counterclaim against TFO. Apart from the arbitration proceedings, MMHE reserves its right to pursue any other legal actions as may be permitted under Malaysian laws.

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.

B9. DERIVATIVES

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

	Contract/ Notional Amount as at 31 Mar 2025 (in RM '000)	Fair Value loss (in RM '000)
Forward foreign currency contracts	231,175	(3,684)

During the period, the Group recognised a net unrealised derivatives gain of RM2,622,000 in its equity and derivatives loss of RM5,028,000 in profit or loss for the effective and ineffective portion respectively, in relation to the fair value of the cash flow hedges.

B10. PROFIT PER SHARE

	Quarter Ended		Cumulative 3 Months Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
Basic profit per share is computed as follows:				
Profit for the period attributable to equity holders of the Company (RM '000)	12,238	10,423	12,238	10,423
Weighted average number of ordinary shares in issue (thousand)	1,600,000	1,600,000	1,600,000	1,600,000
Basic profit per share (sen)	0.8	0.7	0.8	0.7

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 31 March 2025.

B12. TRADE AND OTHER RECEIVABLES

	31 Mar 2025	31 Dec 2024
	RM '000	RM '000
Trade receivables		
Third parties	61,072	114,770
Related companies	77,806	182,460
Amount due from customers on contracts	<u>868,321</u>	<u>970,629</u>
	1,007,199	1,267,859
Other receivables	22,803	20,335
Less: Allowance for impairment losses	<u>(34,850)</u>	<u>(34,482)</u>
	995,152	1,253,712
Trade and other receivables	<u>995,152</u>	<u>1,253,712</u>

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

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

	31 Mar 2025	31 Dec 2024
	RM '000	RM '000
Neither past due nor impaired	82,155	234,361
1 to 30 days past due not impaired	28,400	23,254
31 to 60 days past due not impaired	88	9,024
61 to 90 days past due not impaired	-	496
More than 90 days past due not impaired	<u>-</u>	<u>1,959</u>
	110,643	269,094
Impaired	<u>28,235</u>	<u>28,136</u>
Trade receivables	<u>138,878</u>	<u>297,230</u>