

**MUHIBBAH ENGINEERING (M) BHD**

Registration No. 197201001137 (12737-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2022**

	<b>UNAUDITED AS AT 31.12.2022 RM'000</b>	<b>AUDITED AS AT 31.12.2021 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	1,174,273	1,027,282
Investment in associates	722,228	692,356
Other non-current assets	137,509	122,531
<b>Total non-current assets</b>	<b>2,034,010</b>	1,842,169
Receivables, deposits and prepayments	446,930	436,225
Contract assets	289,844	318,025
Inventories	293,915	308,529
Current tax assets and other assets	22,132	18,462
Cash and bank balances	298,397	450,815
<b>Total current assets</b>	<b>1,351,218</b>	1,532,056
<b>Total assets</b>	<b>3,385,228</b>	3,374,225
<b>Equity</b>		
Share capital	426,474	306,602
Reserves	875,852	795,804
<b>Total equity attributable to owners of the Company</b>	<b>1,302,326</b>	1,102,406
<b>Non-controlling interests</b>	<b>497,812</b>	560,599
<b>Total equity</b>	<b>1,800,138</b>	1,663,005
<b>Liabilities</b>		
Payables and accruals	39,716	3,007
Loans and borrowings	109,575	117,665
Hire purchase and lease liabilities	11,853	23,799
Deferred tax liabilities	117,686	79,408
<b>Total non-current liabilities</b>	<b>278,830</b>	223,879
Provision, payables and accruals	394,043	394,363
Contract liabilities	186,799	207,312
Bills payables	418,440	451,753
Loans and borrowings	279,595	407,541
Hire purchase and lease liabilities	18,843	14,565
Tax liabilities and other liabilities	8,540	11,807
<b>Total current liabilities</b>	<b>1,306,260</b>	1,487,341
<b>Total liabilities</b>	<b>1,585,090</b>	1,711,220
<b>Total equity and liabilities</b>	<b>3,385,228</b>	3,374,225
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.80</b>	2.27

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022 (4TH QUARTER)**

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue (Note 1a)	A9	261,093	302,163	885,758	1,003,670
Cost of sales, other income and operating expenses		(252,404)	(293,898)	(853,647)	(947,959)
<b>Results from operating activities</b>		<b>8,689</b>	8,265	<b>32,111</b>	55,711
Interest income		1,854	4,440	6,229	8,178
Finance costs		(6,971)	(8,145)	(19,243)	(19,936)
<b>Operating profit</b>	B5	<b>3,572</b>	4,560	<b>19,097</b>	43,953
Share of loss of associates, net of tax		3,063	(6,861)	1,309	(28,053)
<b>Profit/(Loss) before tax</b>	B5	<b>6,635</b>	(2,301)	<b>20,406</b>	15,900
Tax expense	B6	(10,254)	(3,516)	(16,553)	(13,401)
<b>Profit/(Loss) after tax for the year</b>		<b>(3,619)</b>	(5,817)	<b>3,853</b>	2,499
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		(25,233)	(4,963)	32,679	20,284
Movement in revaluation of property, plant equipment, net of tax		113,095	-	113,095	-
<b>Other comprehensive income/(loss) for the year</b>		<b>87,862</b>	(4,963)	<b>145,774</b>	20,284
<b>Total comprehensive income/(loss) for the year</b>		<b>84,243</b>	(10,780)	<b>149,627</b>	22,783
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		(18,372)	(11,186)	(17,841)	(3,416)
Non-controlling interests		14,753	5,369	21,694	5,915
<b>Profit/(Loss) for the year</b>		<b>(3,619)</b>	(5,817)	<b>3,853</b>	2,499
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the Company		40,547	(14,410)	76,352	10,855
Non-controlling interests		43,696	3,630	73,275	11,928
<b>Total comprehensive income/(expense) for the year</b>		<b>84,243</b>	(10,780)	<b>149,627</b>	22,783
<b>Earnings/(Loss) per ordinary share</b>					
Basic (Sen)	B11	(2.53)	(2.31)	(2.75)	(0.71)
Diluted (Sen)	B11	(2.53)	(2.31)	(2.75)	(0.71)
<b>Note (1a) - Proforma Revenue</b>					
Revenue as reported above		261,093	302,163	885,758	1,003,670
Share of revenue of associates		65,873	48,127	222,172	186,188
<b>Total revenue</b>		<b>326,966</b>	350,290	<b>1,107,930</b>	1,189,858

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 2021 and the accompanying explanatory notes attached to the interim financial statements)

**MUHIBBAH ENGINEERING (M) BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (4TH QUARTER)**  
(The figures have not been audited)

	← Attributable to shareholders of the Company →								
	Share capital RM'000	Treasury shares RM'000	Non-distributable		Distributable		Total equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
			Reserves attributable to capital RM'000	Reserve attributable to revenue RM'000	Retained earnings RM'000				
<b>At 1 January 2022</b>	306,602	(5,561)	337,508	75,725	388,132	1,102,406	560,599	1,663,005	
Foreign currency translation differences for foreign operations	-	-	-	21,466	-	21,466	11,213	32,679	
Movement in revaluation of property, plant and equipment, net of tax	-	-	72,727	-	-	72,727	40,368	113,095	
Profit/(Loss) after tax for the year	-	-	-	-	(17,841)	(17,841)	21,694	3,853	
Total comprehensive income/(expense) for the year	-	-	72,727	21,466	(17,841)	76,352	73,275	149,627	
Issuance of shares pursuant to right issue	119,872	-	-	-	-	119,872	-	119,872	
Share-based payments	-	-	(20,732)	-	18,811	(1,921)	-	(1,921)	
Accretion of interests in subsidiary	-	-	1,024	338	6,582	7,944	(27,305)	(19,361)	
Issuance of shares to non-controlling interests	-	-	(4,250)	(292)	2,215	(2,327)	32,629	30,302	
Dividend to non-controlling interests	-	-	-	-	-	-	(141,244)	(141,244)	
Disposal of a subsidiary	-	-	-	-	-	-	(142)	(142)	
<b>At 31 December 2022</b>	<b>426,474</b>	<b>(5,561)</b>	<b>386,277</b>	<b>97,237</b>	<b>397,899</b>	<b>1,302,326</b>	<b>497,812</b>	<b>1,800,138</b>	
<b>At 1 January 2021</b>	<b>306,602</b>	<b>(5,561)</b>	<b>335,821</b>	<b>61,317</b>	<b>388,497</b>	<b>1,086,676</b>	<b>584,549</b>	<b>1,671,225</b>	
Foreign currency translation differences for foreign operations	-	-	-	14,271	-	14,271	6,013	20,284	
Profit/(Loss) after tax for the year	-	-	-	-	(3,416)	(3,416)	5,915	2,499	
Total comprehensive income/(expense) for the year	-	-	-	14,271	(3,416)	10,855	11,928	22,783	
Share-based payments	-	-	1,231	-	-	1,231	244	1,475	
Share buy back by a subsidiary	-	-	106	35	753	894	(3,879)	(2,985)	
Accretion of interest in subsidiary	-	-	350	102	2,298	2,750	(8,857)	(6,107)	
Dividend to non-controlling interests	-	-	-	-	-	-	(23,386)	(23,386)	
<b>At 31 December 2021</b>	<b>306,602</b>	<b>(5,561)</b>	<b>337,508</b>	<b>75,725</b>	<b>388,132</b>	<b>1,102,406</b>	<b>560,599</b>	<b>1,663,005</b>	

(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 2021 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 2022 (4TH QUARTER)**

(The figures have not been audited)

	For the 12 Months Year ended 31.12.2022 RM'000	For the 12 Months Year ended 31.12.2021 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>20,406</b>	15,900
Adjustments for non-cash items/non-operating items:		
Depreciation and amortisation	73,669	75,511
Finance costs	30,540	33,716
(Gain)/Loss on disposal of property, plant and equipment	(1,096)	(1,659)
Government loan waived	-	(915)
Inventories written-off	454	1,322
Net impairment/(recovery) on financial assets and receivables	9,889	(31,826)
Provision/(Reversal) for impairment loss on vessels, plant and equipment	10,509	(9,807)
Net (gain)/loss on fair value adjustments on derivative instruments	(7,204)	6,719
Net (gain)/loss on foreign exchange	(1,119)	(5,197)
Interest income	(6,230)	(8,178)
Property, plant and equipment written off	132	548
Net (reversal)/provision for warranties	(6,575)	9,099
Net (reversal)/provision for liquidated and ascertained damages	-	(391)
Share-based payments	850	1,475
Share of (profit)/loss of associates	(1,309)	28,053
(Reversal)/Provision for slow moving stocks	73	11,985
Loss/(Gain) on disposal of a subsidiary	193	-
(Reversal)/Provision for foreseeable losses	(2,855)	9,752
<b>Operating profit before changes in working capital</b>	<b>120,327</b>	136,107
Changes in working capital:		
Receivables, deposits and prepayments	(19,815)	121,517
Inventories	14,085	5,191
Payables and accruals	42,927	(72,744)
Amount due from/(to) contract customers	10,523	(49,708)
<b>Cash generated from operations</b>	<b>168,047</b>	140,363
Net income taxes paid	(21,085)	(20,316)
<b>Net cash generated from operating activities</b>	<b>146,962</b>	120,047
<b>Cash flows from investing activities</b>		
Additions to development expenditures	(920)	-
Acquisition of additional interests in subsidiary	(19,361)	(22,971)
Acquisition of shares from non-controlling interest	-	(6,107)
Acquisition of subsidiary, net of cash acquired	(4,925)	-
Disposal of a subsidiary, net of cash disposed	(448)	-
Investment in financial assets	(4,298)	-
Dividend received from associates	4,100	8,200
Interest received	6,229	4,464
Investment in associates	-	(2,770)
Proceeds from disposal of property, plant and equipment	14,101	3,621
Purchase of property, plant and equipment	(18,771)	(36,582)
Reclassification of inventories to property, plant and equipment	(60,462)	-
Expenditure on land held for development	(2,513)	-
Addition to other non-current assets	-	(2,739)
<b>Net cash used in investing activities</b>	<b>(87,268)</b>	(54,884)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (4TH QUARTER)**

(The figures have not been audited)

	<b>For the 12 Months Year ended 31.12.2022 RM'000</b>	<b>For the 12 Months Year ended 31.12.2021 RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interests	(141,244)	(23,386)
Interests paid	(33,239)	(30,520)
Net proceeds from Rights Issue	119,872	-
Purchase of treasury shares by a subsidiary	-	(2,985)
Proceeds from issuance of shares to non-controlling interests	30,302	-
Net repayment of loans and borrowings	(200,233)	(191,632)
<b>Net cash used in financing activities</b>	<b>(224,542)</b>	<b>(248,523)</b>
<b>Currency translation differences</b>	<b>1,037</b>	<b>3,527</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(163,811)</b>	<b>(179,833)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>441,594</b>	<b>621,427</b>
<b>Cash and cash equivalents at 31 December</b>	<b>277,783</b>	<b>441,594</b>

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

	<b>31.12.2022 RM'000</b>	<b>31.12.2021 RM'000</b>
Cash and bank balances	170,403	212,385
Short-term investments	26,705	-
Deposits placed with licensed banks	101,290	238,430
Cash and cash equivalents as per Statement of Financial Position	298,398	450,815
Bank overdrafts	(20,615)	(9,221)
	<b>277,783</b>	<b>441,594</b>

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements)

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2022 (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 2021. 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 2021.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2022:

MFRSs and IC Interpretations

(Including the Consequential Amendments)

Effective Date

- |  |                |
|--|----------------|
| • Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021   | 1 April 2021   |
| • Amendments to MFRS 3: Reference to the Conceptual Framework                          | 1 January 2022 |
| • Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| • Amendments to MFRS 137: Onerous Contract - Cost of Fulfilling a Contract             | 1 January 2022 |
| • Annual Improvements to MFRS Standards 2018-2020                                      | 1 January 2022 |

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 101: Classification of Liabilities as Current or Non-current   | 1 January 2023 |
| • Amendments to MFRS 101: Disclosure of Accounting Policies   | 1 January 2023 |
| • Amendments to MFRS 108: Definition of Accounting Estimates  | 1 January 2023 |
| • Amendments to MFRS 112: Deferred Tax relates to Assets and Liabilities arising from a Single Transaction                  | 1 January 2023 |
| • MFRS 17 Insurance Contracts   | 1 January 2023 |
| • Amendments to MFRS 17 Insurance Contracts   | 1 January 2023 |
| • 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 2021 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**

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 31.12.2022	
	Revenue RM'000	Profit/(Loss) before tax RM'000
Infrastructure construction	693,641	72,829
Cranes and automation	588,315	59,470
Share of Concessions profits/(loss) (net of tax)	194,184	1,819
	<u>1,476,140</u>	<u>134,118</u>
Less: Group eliminations	(368,210)	(113,712)
	<u><u>1,107,930</u></u>	<u><u>20,406</u></u>

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There is revaluation of freehold land in accordance to the Group's accounting policy for the financial year ended 31 December 2022 and there is net revaluation surplus of RM113.1 million.

**A11. MATERIAL SUBSEQUENT EVENTS**

There were no material subsequent events from the end of the current quarter to 16 February 2023, which would likely to substantially affect the results of the Group for year 2022.

**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 committed as at 16 February 2023 is approximately RM11 million.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2022 (4TH QUARTER)**

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

**B1. REVIEW OF GROUP PERFORMANCE (YTD 2022 vs. YTD 2021)**

The Group reported lower consolidated revenue (including share of associates' revenue) of RM1,108.0 million with higher profit before tax of RM20.4 million for the financial year ended 31 December 2022 as compared to consolidated revenue (including share of associates' revenue) of RM1,190.0 million and profit before tax of RM15.9 million respectively for the corresponding year ended 31 December 2021.

The Group reported slightly lower revenue in 2022 mainly due to completion of previous construction projects and new projects secured only commence works towards end of 2022. The higher profit before tax mainly due to improved results from Cambodia airports concession following the re-opening of border of Cambodia in November 2021.

The Group reported loss after tax and minority interest of RM17.8 million as compared to last financial year of RM3.4 million mainly due to higher tax payable and share of minority interest in Cranes division.

**B2. COMPARISON WITH PRECEDING QUARTER RESULTS (Q4 2022 vs. Q3 2022)**

The Group reported higher consolidated revenue (including share of associates' revenue) of RM326.9 million as compared to RM311.8 million in the preceding quarter mainly due to higher revenue from Cranes and Concession division, mitigated by lower sales from Infrastructure Construction division in the current quarter.

This quarter reported higher profit before tax of RM6.6 million as compared to RM4.5 million in the preceding quarter mainly due to high passenger arrivals in Q4 2022 from Cambodia airports concession and also better performance from Cranes and Exact Auto division.

This quarter reported loss after tax and minority interest of RM18.4 million as compared to RM11.2 million in the preceding quarter mainly due to higher tax payable and share of minority interest in Cranes division.

**B3. GROUP'S PROSPECT**

**a) Secured Order Book**

As at 16 February 2023, the Group's total outstanding secured order book in hand for the construction and cranes division is RM1,584 million.

**b) Prospect**

For the past three months, the group had secured three projects (i) a RM172.6 million construction project from Penang Development Corp for a development in the Technoplex industrial area located in Bayan Lepas, Penang (ii) a RM116.4 million project from Institute of Technology PETRONAS Sdn.Bhd. to develop student accommodations and facilities at University Teknologi Petronas in Perak (iii) a RM322 million construction project in the offshore oil and gas from Petronas. These projects are expected to contribute positively to Muhibbah Group for the upcoming financial year 2023.

With the China border re-opening in January 2023, there was significant increase of airport traffic flow in January 2023 as compared to January 2022, the airports concession is expected to make a turnaround in year 2023.

**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**

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>Cumulative Quarter 31.12.2022 RM'000</b>
Profit/(Loss) before tax is arrived at after (crediting)/charging the following:		
Depreciation and amortisation	16,423	73,669
Finance costs	11,694	30,540
Interest income	(1,854)	(6,230)
Net (gain)/loss on foreign exchange	3,288	(1,119)
Net (gain)/loss on derivatives	(4,356)	(7,204)
(Gain)/Loss on disposal of property, plant and equipment	(14)	(1,096)
(Gain)/Loss on disposal of a subsidiary	-	193
Net provision for impairment on financial assets and receivables	5,086	9,889
Inventories written-off	358	454
(Reversal)/Provision for slow moving stocks	2,269	73
(Reversal)/Provision of impairment loss on vessels, plant and equipment	10,509	10,509
Property, plant and equipment written off	132	132
(Reversal)/Provision for foreseeable losses	-	(2,855)

**B6. TAXATION**

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>Cumulative Quarter 31.12.2022 RM'000</b>
<b>Current tax expense</b>		
Malaysia	(319)	4,697
Overseas	3,433	5,131
	3,114	9,828
<b>Deferred tax income</b>		
Malaysia	7,140	6,725
Overseas	-	-
	7,140	6,725
<b>Total tax expense</b>	<u>10,254</u>	<u>16,553</u>

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

**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**

	<b>Foreign Currency</b>		<b>31.12.2022</b>
	<b>Currency</b>	<b>Amount</b>	<b>RM'000</b>
Short term borrowings		'000	
Secured	RM	80	80
	AUD	4,457	13,301
	DKK	37,443	23,697
	Sub- total		37,078
Unsecured	RM	242,517	242,517
	Sub- total		242,517
<b>Total Short Term Borrowings</b>			<b>279,595</b>
Long term borrowings			
Secured	RM	6,443	6,443
	DKK	7,516	4,757
	Sub- total		11,200
Unsecured	RM	98,375	98,375
<b>Total Long Term Borrowings</b>			<b>109,575</b>
<b>Total Gross Borrowings</b>			<b>389,170</b>

## B9. UPDATES ON MATERIAL LITIGATIONS

The latest updates for material arbitration case for the Group with the Syrian Civil Aviation Authority ("SCAA") are as follows:

(i) With regards to the claim amount of approximately EURO 33 million (RM156 million) submitted by the SCAA against MEB, the Council of State of Syria ("COS") has awarded SCAA EURO 3.17 million (approximately RM15 million). MEB has filed an application to nullify the award based on the grounds inter alia that (i) the court appointed arbitration tribunal has no jurisdiction as the contract between the parties have provided for an arbitration at the Dubai International Arbitration Centre ("DIAC"), (ii) impartiality of the arbitrator nominated by SCAA, and (iii) denial of MEB's right to defence its claim.

Meanwhile, MEB's claim against SCAA at DIAC for total claim of approximately EURO 36 million (approximately RM170 million) remains ongoing.

(ii) TTCL Malaysia Sdn Bhd (formerly known as Toyo Thai Malaysia Sdn Bhd) remain ongoing.

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

On 1 December 2022, the Federal Court has affirmed the Court of Appeal's decision in respect of granting leave and to proceed with the substantive judicial review hearing at the High Court with a stay order in favour of the Company.

## B10. PROPOSED DIVIDEND

The Directors did not recommend any dividend for the financial period under review.

## B11. EARNINGS PER SHARE ("EPS")

### Basic/Diluted EPS

	Basic EPS		Diluted EPS	
	Current 31.12.2022	Cumulative	Current 31.12.2022	Cumulative
Net profit attributable to the owners of the Company (RM'000)	(18,372)	(17,841)	(18,372)	(17,841)
Weighted average number of ordinary shares in issue ('000)	725,168	648,799	725,168	648,799
Effect of dilution: Share options ('000) *	-	-	N/A	N/A
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	725,168	648,799	725,168	648,799
EPS (Sen)	(2.53)	(2.75)	(2.53)	(2.75)

\* Potential shares are dilutive only when the average market price for the ordinary shares during the period exceeds the exercise price of the options.

The share options granted to employee in 2017 expired on 9 July 2022.

## 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 : 23 February 2023**