



# **MGB BERHAD**

Registration No. 200201021504 (589167-W)  
(Incorporated in Malaysia)

## **INTERIM FINANCIAL REPORT 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended	Preceding Year Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
		30-Jun-22 (Unaudited) RM'000	30-Jun-21 (Unaudited) RM'000	30-Jun-22 (Unaudited) RM'000	30-Jun-21 (Unaudited) RM'000
Revenue		133,750	126,504	312,341	294,092
Cost of sales		(115,453)	(105,854)	(268,344)	(246,671)
Gross profit		18,297	20,650	43,997	47,421
Interest income		92	76	167	149
Other income		202	479	1,059	808
Operating expenses		(14,956)	(12,937)	(29,021)	(24,992)
Finance costs		(1,343)	(1,423)	(2,704)	(3,069)
Share of profit/(loss) of associates (net of tax)		138	(45)	165	161
Profit before tax		2,430	6,800	13,663	20,478
Taxation	B5	(2,262)	(2,763)	(6,679)	(6,315)
Profit after tax for the financial period		168	4,037	6,984	14,163
Other comprehensive income for the financial period		-	-	-	-
Total comprehensive income for the financial period		<b>168</b>	<b>4,037</b>	<b>6,984</b>	<b>14,163</b>
<b>Profit/(Loss) for the financial period attributable to:</b>					
Owners of the parent		477	4,315	7,615	14,404
Non-controlling interests		(309)	(278)	(631)	(241)
		<b>168</b>	<b>4,037</b>	<b>6,984</b>	<b>14,163</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>					
Owners of the parent		477	4,315	7,615	14,404
Non-controlling interests		(309)	(278)	(631)	(241)
		<b>168</b>	<b>4,037</b>	<b>6,984</b>	<b>14,163</b>
<b>Earnings per share attributable to owners of the parent:</b>					
Basic (Sen)	B10	0.08	0.86	1.29	2.87
Diluted (Sen)	B10	0.08	0.73	1.29	2.43

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**- AS AT 30 JUNE 2022**

	Note	30 June 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment ("PPE")	A9	21,010	23,982
Right-of-use assets ("ROU")	A9	82,657	85,598
Investment properties		38,549	38,990
Investment in associates		368	435
Goodwill on consolidation		254,695	254,695
		<b>397,279</b>	<b>403,700</b>
<b>Current Assets</b>			
Inventories		74,888	67,432
Contract assets		59,391	80,743
Trade receivables		45,866	41,841
Other receivables		19,115	17,086
Amounts due from related companies		321,317	280,433
Amount due from an associate		-	7
Tax recoverable		3,550	3,060
Fixed deposits with licensed banks		8,169	5,670
Cash held under Housing Development Accounts		20,533	23,775
Cash and bank balances		19,797	13,653
		<b>572,626</b>	<b>533,700</b>
<b>TOTAL ASSETS</b>		<b>969,905</b>	<b>937,400</b>

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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**- AS AT 30 JUNE 2022 (cont'd)**

	Note	30 June 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES</u></b>			
Equity attributable to owners of the parent:			
Share capital		388,186	388,186
Other reserve		(1,684)	(1,684)
Asset revaluation reserve		4,090	4,165
Retained earnings		112,228	107,035
		<b>502,820</b>	<b>497,702</b>
Non-controlling interests		(445)	186
<b>Total Equity</b>		<b>502,375</b>	<b>497,888</b>
<b><u>LIABILITIES</u></b>			
<b>Non-current Liabilities</b>			
Loans and borrowings	B7	16,251	17,273
Lease liabilities	B7	11,222	16,579
Deferred tax liabilities		2,821	2,049
		<b>30,294</b>	<b>35,901</b>
<b>Current Liabilities</b>			
Trade payables		243,881	260,427
Contract liabilities		34,626	40,471
Amounts due to related companies		5,281	5,277
Other payables		63,063	41,686
Amount due to an associate		17	66
Bank overdrafts	B7	-	4,982
Loans and borrowings	B7	74,746	35,473
Lease liabilities	B7	12,152	12,277
Tax payable		3,470	2,952
		<b>437,236</b>	<b>403,611</b>
<b>Total Liabilities</b>		<b>467,530</b>	<b>439,512</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>969,905</b>	<b>937,400</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>		0.85	0.99

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	←-----Attributable to owners of the parent-----→						
	←-----Non-Distributable-----→			Distributable			
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Group</b>							
At 1 January 2022	388,186	4,165	(1,684)	107,035	497,702	186	497,888
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	7,615	7,615	(631)	6,984
Realisation of asset revaluation reserve	-	(75)	-	75	-	-	-
<b>Transactions with owners</b>							
Dividends paid	-	-	-	(2,497)	(2,497)	-	(2,497)
At 30 June 2022	<b>388,186</b>	<b>4,090</b>	<b>(1,684)</b>	<b>112,228</b>	<b>502,820</b>	<b>(445)</b>	<b>502,375</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (cont'd)**

	<-----Attributable to owners of the parent----->					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	<-----Non-Distributable----->			Distributable				
	Share Capital RM'000	ICPS RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000			
<b>Group</b>								
At 1 January 2021								
- as previously reported	327,886	60,300	4,316	(1,684)	79,846	470,664	692	471,356
- effect of adoption of IFRIC Agenda Decision	-	-	-	-	4	4	-	4
At 1 January 2021 (restated)	327,886	60,300	4,316	(1,684)	79,850	470,668	692	471,360
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	14,404	14,404	(241)	14,163
Realisation of asset revaluation reserve	-	-	(75)	-	75	-	-	-
At 30 June 2021	<b>327,886</b>	<b>60,300</b>	<b>4,241</b>	<b>(1,684)</b>	<b>94,329</b>	<b>485,072</b>	<b>451</b>	<b>485,523</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	As at 30-Jun-22 RM'000 (Unaudited)	As at 30-Jun-21 RM'000 (Unaudited)
Profit before tax	13,663	20,478
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	304
Depreciation of		
- PPE	3,396	3,254
- Investment properties	441	441
- ROU	3,859	3,795
Finance costs	2,704	3,069
Impairment losses on:		
- trade receivables	27	3
- related companies	47	2
Reversal of impairment losses on:		
- trade receivables	(22)	(111)
- an associate	(34)	-
- amounts due from related companies	-	(37)
Gain on disposal of PPE	(20)	(5)
Interest income	(167)	(149)
Gain on disposal of a subsidiary company	(599)	-
Loss on disposal of an associate	41	-
Share of profit of associates (net of tax)	(165)	(161)
Operating profit before working capital changes	23,171	30,883
<b>Changes in working capital:</b>		
Inventories	(7,456)	(2,473)
Receivables	(6,216)	4,450
Payables	5,114	(37,542)
Contract assets and contract liabilities	15,507	(1,662)
Related companies	(40,927)	70,078
Associate	(42)	140
	(34,020)	32,991
<b>Cash (used in)/generated from operations</b>	(10,849)	63,874
Interest paid	(2,862)	(3,069)
Interest income	167	149
Income tax paid	(5,881)	(4,406)
	(8,576)	(7,326)
<b>Net cash (used in)/generated from operating activities</b>	(19,425)	56,548

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (cont'd)**

	As at 30-Jun-22 RM'000 (Unaudited)	As at 30-Jun-21 RM'000 (Unaudited)
<b>Cash flows from/(used in) investing activities</b>		
Net cash inflow from disposal of a subsidiary company	748	-
Purchase of:		
-PPE	(751)	(2,831)
-ROU	(109)	(179)
Proceeds from disposal of PPE	101	31
Proceeds from disposal of an associate	45	-
Dividends received from an associate	180	-
<b>Net cash generated from/(used in) investing activities</b>	<b>214</b>	<b>(2,979)</b>
<b>Cash flows from/(used in) financing activities</b>		
Drawdown of bank borrowings	80,462	108,664
Increase of fixed deposits pledged	(2,328)	(29)
Repayment of lease liabilities	(6,320)	(6,555)
Repayment of bank borrowings	(42,051)	(153,309)
Dividends paid	(2,497)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>27,266</b>	<b>(51,229)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,055</b>	<b>2,340</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>32,446</b>	<b>62,710</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>40,501</b>	<b>65,050</b>
<b>Cash and cash equivalents at the end of the financial period comprise:</b>		
Cash and bank balances	19,797	38,163
Cash held under Housing Development Accounts	20,533	29,537
Fixed deposits with licensed banks	8,169	3,666
Bank overdrafts	-	(2,650)
	48,499	68,716
Less: Fixed deposits pledged with licensed banks	(7,998)	(3,666)
	40,501	65,050

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.



**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 JUNE 2022**

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**A1. Basis of Preparation**

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the condensed 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 MGB Berhad ("the Company") and all its subsidiary companies (collectively known as "the Group") since the financial year ended 31 December 2021.

**Basis of Accounting**

The financial information has been prepared on the historical cost convention and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in these condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2021 except for the adoption of the following:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Annual Improvement to MFRSs Standards 2018-2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The initial application of the abovementioned new standards and amendments to standards did not have significant impacts on the financial statements of the Group and of the Company.

## A2. Changes in Accounting Policies (Cont'd)

### Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board which are not yet effective for the Group. The Group intends to adopt the below mentioned new standards and amendments to standards when they become effective.

		<b><u>Effective date for financial periods beginning on or after</u></b>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – comparative information	1 January 2023
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 related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investors and its Associates or Joint Venture	Deferred until further notice

The adoption of the abovementioned new standards and amendments to standards when they become effective are not expected to have significant impact on the financial statements of the Group and of the Company.

## A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

## A4. Segmental Information

The Group's reporting segments as described below are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The following summarised the operations in each of the Group's reportable segment:

- (i) Construction and trading – Design and build, civil engineering, general construction, piling activities, management consultancy activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast products.
- (ii) Property development – Development of residential and commercial properties.
- (iii) Others - Investment holding and dormant.

#### A4. Segmental Information (Cont'd)

**30 June 2022 (Unaudited)**

	<b>Construction and trading RM'000</b>	<b>Property development RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>
<b>Revenue</b>				
Total revenue	325,630	8,442	-	334,072
Less: Inter-segment revenue	(21,731)	-	-	(21,731)
Revenue from external customers	<u>303,899</u>	<u>8,442</u>	<u>-</u>	<u>312,341</u>
<b>Results</b>				
Interest income	87	80	-	167
Finance costs	(2,245)	(125)	(334)	(2,704)
Depreciation	(7,609)	(63)	(24)	(7,696)
Share of profit of associates (net of tax)	165	-	-	165
<b>Segment profit/(loss) before tax</b>	<u>13,773</u>	<u>675</u>	<u>(785)</u>	<u>13,663</u>
Taxation				(6,679)
<b>Profit after tax</b>				<u>6,984</u>
<b>Other non-cash items</b>				
Gain on disposal of PPE	(20)	-	-	(20)
Gain on disposal of a subsidiary company	(599)	-	-	(599)
Loss on disposal of an associate	41	-	-	41
Impairment losses on receivables (net)	25	27	-	52
Reversal of impairment losses on an associate	(34)	-	-	(34)
<b>Assets</b>				
Additions to non-current assets	1,370	55	-	1,425
Segment assets	586,784	127,578	255,543	969,905
<b>Liabilities</b>				
Segment liabilities	<u>423,114</u>	<u>30,771</u>	<u>13,645</u>	<u>467,530</u>

**A4. Segmental Information (Cont'd)**

**30 June 2021 (Unaudited)**

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
<b>Revenue</b>				
Total revenue	303,289	14,131	-	317,420
Less: Inter-segment revenue	(23,328)	-	-	(23,328)
Revenue from external customers	279,961	14,131	-	294,092
<b>Results</b>				
Interest income	81	67	1	149
Finance costs	(2,500)	(237)	(332)	(3,069)
Depreciation	(7,447)	(16)	(27)	(7,490)
Amortisation of intangible assets	-	-	(304)	(304)
Share of profit of associates (net of tax)	161	-	-	161
<b>Segment profit/(loss) before tax</b>	20,233	1,460	(1,215)	20,478
Taxation				(6,315)
<b>Profit after tax</b>				14,163
<b>Other non-cash items</b>				
Gain on disposal of PPE	(5)	-	-	(5)
Reversal of impairment losses on receivables (net)	(32)	(111)	-	(143)
<b>Assets</b>				
Additions to non-current assets	6,967	-	-	6,967
Segment assets	542,006	91,950	255,775	889,731
<b>Liabilities</b>				
Segment liabilities	368,323	22,067	13,818	404,208

#### A4. Segmental Information (Cont'd)

*Segmental Performance (financial period ended 30 June 2022 against financial period ended 30 June 2021)*

##### **Construction and Trading**

For the six month period ended under review (YTD FY 2022), the construction segment recorded revenue of RM303.90 million, RM23.94 million higher compared to the preceding year (YTD FY 2021) of RM279.96 million. The increase in revenue mainly contributed by projects such as Residensi Bintang and Mercuri Jalil at Bukit Jalil, Ritma Perdana and Melodi Perdana at Alam Perdana and Kita Ria.

Despite higher revenue, the segment Profit Before Tax ("PBT") for the six month period ended was RM13.77 million compared to the preceding year RM20.23 million. The decrease of RM6.46 million is affected by material prices and labour shortages.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM13.31 million generated in current financial period.

Should the manufacturing and trading of precast products business contribute external revenue and profit in the future, it shall be reported separately as an individual reportable segment.

##### **Property Development**

For the six-month period ended under review (YTD FY 2022), the property development segment recorded revenue of RM8.44 million, RM5.69 million lower compared to the preceding year (YTD FY 2021) of RM14.13 million. The segment Profit Before Tax ("PBT") for the six-month period ended was RM0.68 million compared to the preceding year RM1.46 million.

Lower revenue and PBT in current financial period as compare to the previous corresponding period following with 99% Laman Bayu Phase 2 has been sold with project completion of 97.80% achieved in June 2021. As at June 2022, the newly launched project of Laman Bayu Phase 3 and Phase 4 recorded revenue with 48% have been sold with project completion of 17.73%.

##### **Others**

The segment reported losses of approximately RM0.79 million in current financial period against RM1.22 million of losses in the preceding year.

The loss reduced due to no amortisation expenses of intangible asset as it has fully amortised in the previous year.

**A5. Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual of their nature, size or incidence during the current quarter under review.

**A6. Material Changes in Estimates**

There were no material changes in estimates used for the preparation of the interim financial report.

**A7. Seasonal or Cyclical Factors**

The operations of the Group during the current financial quarter under review were not materially affected by any significant seasonal or cyclical factors.

**A8. Dividends Paid**

	<b>RM'000</b>
In respect of the financial year ended 31 December 2021:	
- Interim dividend of RM0.00422 per ordinary share, paid on 30 March 2022	2,497
Total dividends paid as at 31 March 2022	<u>2,497</u>

**A9. Valuation of PPE and ROU**

There were no valuation of PPE and ROU carried out during the current quarter under review.

Included in the ROU are leasehold lands and buildings that are stated at revalued amount less accumulated depreciation and accumulated impairment losses.

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**A10. Debts and Equity Securities**

There was no issue, repurchase and repayment of debt and equity securities during the financial period.

**A11. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter.

**A12. Capital Commitments**

Total capital commitments of the Group comprised of the followings:

	<b>As at 30-Jun-22 RM'000</b>	<b>As at 30-Jun-21 RM'000</b>
<b><u>Authorised and contracted for :</u></b>		
Purchase Order for		
- Interior design and renovation works	43	43
	43	43

**A13. Subsequent Events**

(a) In respect of the previous financial year ended 31 December 2021:

At the Annual General Meeting held on 15 June 2022, the shareholders of the Company approved a final single-tier dividend of RM0.00493 per ordinary share, which will be paid on 20 July 2022 to depositors registered in the Record of Depositors on 28 June 2022.

(b) On 25 July 2022, MGB Land, being the wholly-owned subsidiary of the Company, acquired one million (1,000,000) ordinary shares representing 100% equity interest in Retro Court Sdn Bhd ("**RCSB**") for a total cash consideration of Ringgit Malaysia nine hundred and seventy-three thousand (RM973,000) only. Consequently, RCSB became an indirect wholly-owned subsidiary company of the Company.

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#### A14. Changes in Contingent Liabilities and Contingent Assets

##### (a) Contingent Liabilities

	As at 30-Jun-22	As at 30-Jun-21
	RM'000	RM'000
<b>Bank guarantees issued for:</b>		
- Construction Contracts	72	3,633
- Property Development	2,682	2,470
- Others	-	8
	2,754	6,111

##### (b) Contingent Assets

There were no contingent assets as at the current financial period.

#### A15. Significant Related Party Transactions

The transactions with companies in which certain Directors are common directors and/or have interest or deemed interest for the current financial period were summarised as follows:

	As at 30-Jun-22	As at 30-Jun-21
	RM'000	RM'000
<b>Income</b>		
Contract revenue	311,315	254,591
<b>Expenses</b>		
Dividends paid	1,853	-
Purchase of materials	-	4,431
Rental expenses paid/payable	100	84
	100	84

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## B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

### B1. Review of Group Performance

	Individual Quarter				Cumulative Period			
	Current Year	Preceding	Variance		Current Year	Preceding	Variance	
	Quarter	Year Quarter			To Date	Year To Date		
Ended	Ended	RM'000	%	Ended	Ended	RM'000	%	
	30-Jun-22	30-Jun-21	RM'000	%	30-Jun-22	30-Jun-21	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	133,750	126,504	7,246	5.73%	312,341	294,092	18,249	6.21%
Profit before tax ("PBT")	2,430	6,800	(4,370)	-64.26%	13,663	20,478	(6,815)	-33.28%
Profit after tax ("PAT")	168	4,037	(3,869)	-95.84%	6,984	14,163	(7,179)	-50.69%

#### Individual Quarter

The Group achieved revenue of RM133.75 million in current financial period which representing RM7.25 million or 5.73% higher as compared to the corresponding period of preceding year.

The movement of the revenue mainly attributable to the increase recorded in construction segment of approximately RM5.55 million and property development segment of approximately RM1.70 million.

Lower PBT recorded in the Group mainly due to construction material price, labour shortage, salary adjustment and bonus.

#### Cumulative Period

For the cumulative financial period ended 30 June 2022, the Group recorded revenue of approximately RM312.34 million, representing an increase of approximately RM18.25 million compared to the preceding year.

As explained under Note A4, construction and trading segment remained the Group's main revenue contributor. Construction segment revenue increased by RM23.94 million and Property Development segment revenue decreased by RM5.69 million. The Group's Profit Before Tax ("PBT") recorded decreased by RM 6.82 million.

The Group's total assets and total liabilities stood at RM969.91 million and RM467.53 million respectively as at 30 June 2022. Assets of approximately RM586.78 million or 60.5% and liabilities of RM423.11 million or 90.50% were from the construction and trading segment.

## B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 30-Jun-22	Immediate Preceding Quarter Ended 31-Mar-22	Variance	
	RM'000	RM'000	RM'000	%
Revenue	133,750	178,591	(44,841)	-25.11%
Profit before tax ("PBT")	2,430	11,233	(8,803)	-78.37%
Profit after tax ("PAT")	168	6,816	(6,648)	-97.54%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded a decrease of approximately RM44.1 million and property development segment of approximately RM0.7 million. In tandem with the low revenue coupled with material cost, the PBT and PAT have been affected adversely.

## B3. Prospects for the Year

While economic recovery is underway, the construction and property division are remained challenge due to both domestic and international factors such as labour shortage, increased in building material cost and increased in OPR rate in May 2022 and July 2022. The Russia-Ukraine conflict and China's Zero Covid-19 policy have contributed to global supply chain disruptions.

Despite the challenges faced, the Group is staying intact with its core objective in constructing and developing affordable housing under "Rumah Selangorku Idaman" scheme for year 2022 by the Selangor State Government. Through MGB's Value Driven Technology ("VaDTech") approach, we hope to develop innovative approaches for clients focusing to be cost effective and faster to market. With vigilant cost control and sensitivity to the market evolvement from time to time, MGB strike to achieve optimum outcome out of the uncertainties.

Underpinned by existing orderbook of approximately RM2.08 billion, this would contribute positively to current year earnings. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group will perform satisfactorily in year 2022.

## B4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued by the Group to the public.

## B5. Taxation

The effective tax rate was higher than the statutory tax rate of 24% as certain expenses were disallowed for tax deduction under income tax regulations.

	<b>Current Quarter 30-Jun-22 RM'000</b>	<b>Current Year to Date 30-Jun-22 RM'000</b>
<b>Income Tax:</b>		
- Current year	1,896	5,907
<b>Deferred Tax:</b>		
- Current year	149	555
- Prior year	217	217
<b>Total Taxation</b>	2,262	6,679

## B6. Status of Corporate Proposals Announced

Saved as disclosed below, there were no corporate proposals announced that are yet to be completed as at LPD.

- (a) On 24 January 2020, the Consortium together with Idaman Living Sdn. Bhd., an indirect wholly-owned subsidiary of the Company had entered into a Development Rights Agreement with Solid Benefit Sdn. Bhd. and Eco Green City Sdn. Bhd. to develop all that piece of ninety-nine (99) years leasehold land expiring on 1 February 2104 held under PN 116631 Lot 120760 (previously held under H.S.(D) 43589, PT 54535) in Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 4.882 hectares into affordable homes under Rumah Selangorku Idaman scheme ("Proposed DRA"). The Proposed DRA has not been completed as the conditions precedent therein have not been complied.
- (b) On 24 January 2020, the Consortium together with Idaman Aktif Sdn. Bhd., an indirect wholly owned subsidiary of the Company had entered into a Joint Venture Agreement with Abadi Man Nien Sdn. Bhd. to jointly develop all that two (2) pieces of leasehold lands of ninety-nine (99) years, both expiring on 14 May 2091 held under H.S.(M) 22704, PT 49907, Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 8,743 square meters and H.S.(M) 22705, PT 49908, Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 15,769 square meters into affordable housing homes under Rumah Selangorku Idaman scheme ("Proposed JVA"). The Proposed JVA has not been completed as the conditions precedent therein have not been complied.

**B7. Borrowings and Debt Securities**

Total borrowings of the Group comprised of the followings:

	As at 30-Jun-22 RM'000 (Unaudited)
<b>Secured</b>	
Term loans	20,880
Revolving credits	49,900
Trade services	20,217
Lease liabilities	23,374
<b>Total</b>	<b>114,371</b>
 <b>Current</b>	
Term loans	4,629
Revolving credits	49,900
Trade services	20,217
Lease liabilities	12,152
<b>Total</b>	<b>86,898</b>
 <b>Non-current</b>	
Term loans	16,251
Lease liabilities	11,222
<b>Total</b>	<b>27,473</b>

All borrowings were dominated in Ringgit Malaysia (“RM”).

**B8. Changes in Material Litigation**

There was no material litigation as at LPD, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

**B9. Dividends Declared**

No dividend has been declared for the current quarter under review and the financial period.

## B10. Earnings Per Share (“EPS”)

### Basic EPS

The calculation of the basic earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to Date Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Profit attributable to owners of the parent (RM'000)	477	4,315	7,615	14,404
Weighted average number of ordinary shares in issue ('000)	591,653	501,653	591,653	501,653
Basic EPS (Sen)	0.08	0.86	1.29	2.87

### Diluted EPS

The calculation of the diluted earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining option under warrants, adjusted for the number of such shares that would have been issued at fair value:

	Current Quarter Ended		Year to Date Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Profit attributable to owners of the parent (RM'000)	477	4,315	7,615	14,404
Weighted average number of ordinary shares in issue ('000)	591,653	501,653	591,653	501,653
Effect of conversion of ICPS ('000)	-	90,000	-	90,000
	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	0.08	0.73	1.29	2.43

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**B11. Notes to the condensed consolidated Statement of Profit or Loss and Other Comprehensive Income**

	<b>Current Quarter Ended 30-Jun-22 RM'000</b>	<b>Current Year To Date Ended 30-Jun-22 RM'000</b>
Interest income	(92)	(167)
Gain on disposal of a subsidiary company	-	(599)
Rental income	(62)	(120)
Reversal of impairment losses on receivables	(17)	(22)
Reversal of impairment losses on an associates	(34)	(34)
Gain on disposal of PPE	(25)	(20)
Loss on disposal of an associate	-	41
Impairment losses on receivables	59	74
Depreciation of investment properties	221	441
Depreciation of PPE	1,678	3,396
Depreciation of ROU	1,915	3,859
Finance costs	1,343	2,704

**B12. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 18 August 2022.

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