

## **MGB STRONG BOUNCE IN Q1FYE2023**

- Profit after tax up 79.59% against Q1FYE2022
- 20 on-going construction and property development projects

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**SELANGOR, 19 May 2023 – MGB Berhad** (“MGB” or the “Group”) (a subsidiary of LBS Bina Group Berhad), a construction and property development solutions provider, today announced its first quarter (Q1) results for the financial year ending 31 December 2023 (“Q1FYE2023”).

For the quarter under review, MGB registered a revenue of RM 177.76 million with profit after tax of RM 12.24 million as compared to RM 6.81 million in the preceding year corresponding quarter. The strong results were mainly attributable to the steady contribution from several sizeable projects such as Residensi Bintang and Mercuri Jalil at Bukit Jalil as well as Ritma Perdana and Melodi Perdana at Alam Perdana whereby the projects are targeted to be completed by FYE2023. To add on, the Group successfully closed and finalised accounts for completed projects previously with major subcontractors at a further competitive price which then improved the overall project cost and added to its earnings.

The construction and trading business segment remained as the Group’s key revenue stream which contributed revenue of RM168.64 million. The segment Profit Before Tax (“PBT”) for the current financial period was RM13.40 million as compared to the preceding year corresponding quarter of RM10.91 million. Leveraging on our in-house well-developed and matured Industrialized Building System (IBS) precast production, thus allowing us to reduce the reliance on labour, which is now at scarce and high cost, MGB was able to continue to report better margin. It is worth highlighting that our manufacturing of precast concrete products business has performed well with an internal revenue of approximately RM14.26 million for this quarter and having 5 projects on-hand to complete.

The improved performance is also attributed to the property development segment. The newly launched of Idaman Melur, Cybersouth totalling 1,448 units, as well as rapid progression of phase 3 and 4 of Laman Bayu, Batu Pahat are the catalysts for the segment’s good showing, which contributed a revenue of RM 9.12 million as compared to RM4.58 million in the preceding year corresponding quarter. The segment’s PBT for the

current quarter was recorded at RM3.06 million as compared to the preceding year corresponding quarter RM0.67 million.

MGB Executive Vice Chairman Tan Sri **Ir** Lim Hock San, commented, “We are delighted to kick-start 2023 on the right footing. This is the strongest quarter performance for MGB since the company’s establishment.

With 20 on-going projects from both our construction and property development segment, we are in steady ground as MGB’s top line seeks to generate revenue of approximately RM4 billion in the coming years. This is on the back of our outstanding construction order book which stands at a healthy RM1.78 billion and an estimated Gross Development Value of RM2.36 billion under our property development segment.

Looking ahead, we will focus on the execution of our projects to deliver on-time and in a cost-efficient manner while maintaining its quality. The response to our Rumah Idaman MBI projects have been very encouraging and we are eager to launch the remainder of the projects in the upcoming months.

Notwithstanding that, we expect a healthy replenishment of construction projects to keep us busy and will continue our momentum in securing more Rumah Idaman MBI development projects through collaboration with Menteri Besar Selangor (Incorporated) (“MBI”).

We are cautiously optimistic of our performance for the remainder of 2023 as we are wary of the effect of external factors, such as interest rate hikes. However, it may not significantly impact our financial performance because of our low net gearing ratio of 0.11. We are confident in our ability to mitigate any adverse impact which may arise from potential external factors and continue to deliver sustainable growth in the coming years to our shareholders.”

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## About MGB Berhad

Established in 2007, MGB Berhad (“MGB”) has evolved into a construction and property development solutions provider, primarily focusing on providing efficient and cost-effective solutions across a wide range of industries, in particular building mass market and affordable living spaces for generational living in Malaysia.

Through its subsidiaries, MGB provides a full range of design, construction and development services including design and build, project management, civil engineering, value engineering, geotechnical specialisation, and manufacturing of Industrialised Building System (IBS) precast concrete products.

MGB has accumulated a strong track record, with more than 15 years in design and build of general construction for residential, commercial and industrial buildings as well as infrastructure works. MGB has successfully completed more than 21,000 units of properties, particularly in the affordable homes segment, including more than 6,000 homes using IBS technology.

For more information, please visit [www.mgbgroup.com.my](http://www.mgbgroup.com.my).

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For media inquiries, please contact:

1. Ng Shu Wain

Emel: [shuwain@imejiwa.com](mailto:shuwain@imejiwa.com)

2. Corporate Communication, Media & Digital, LBS

Emel: [media@lbs.com.my](mailto:media@lbs.com.my)