



MGB BERHAD

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

INTERIM FINANCIAL REPORT 31 MARCH 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Year	
	Current Year Quarter Ended 31-Mar-23 (Unaudited) RM'000	Preceding Year Quarter Ended 31-Mar-22 (Unaudited) RM'000	Current Year To Date Ended 31-Mar-23 (Unaudited) RM'000	Preceding Year To Date Ended 31-Mar-22 (Unaudited) RM'000
Note				
Revenue	177,759	178,591	177,759	178,591
Cost of sales	(145,205)	(152,891)	(145,205)	(152,891)
Gross profit	32,554	25,700	32,554	25,700
Interest income	189	75	189	75
Other income	343	857	343	857
Operating expenses	(15,742)	(14,065)	(15,742)	(14,065)
Finance costs	(1,278)	(1,361)	(1,278)	(1,361)
Share of (loss)/profit of associates (net of tax)	(12)	27	(12)	27
Profit before tax	16,054	11,233	16,054	11,233
Taxation	(3,813)	(4,417)	(3,813)	(4,417)
Profit after tax for the financial period	12,241	6,816	12,241	6,816
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	12,241	6,816	12,241	6,816
Profit/(Loss) for the financial period attributable to:				
Owners of the parent	12,015	7,138	12,015	7,138
Non-controlling interests	226	(322)	226	(322)
	12,241	6,816	12,241	6,816
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	12,015	7,138	12,015	7,138
Non-controlling interests	226	(322)	226	(322)
	12,241	6,816	12,241	6,816
Earnings per share attributable to owners of the parent:				
Basic (Sen)	B10	2.03	1.21	2.03
Diluted (Sen)	B10	2.03	1.21	2.03

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 31 MARCH 2023

	Note	31-Mar-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	22,460	21,521
Right-of-use assets ("ROU")	A9	83,267	83,032
Investment properties		37,888	38,108
Investment in associates		241	433
Goodwill on consolidation		254,695	254,695
Deferred tax assets		804	854
		399,355	398,643
Current Assets			
Inventories		87,365	81,260
Contract assets		44,552	32,422
Trade receivables		30,887	35,976
Other receivables		26,857	28,131
Amounts due from related companies		277,945	283,575
Amount due from an associate		9	-
Tax recoverable		3,338	3,306
Fixed deposits with licensed banks		10,905	7,170
Cash held under Housing Development Accounts		5,625	21,136
Cash and bank balances		41,374	25,138
		528,857	518,114
TOTAL ASSETS		928,212	916,757

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 31 MARCH 2023 (cont'd)

	Note	31-Mar-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent:			
Share capital		388,186	388,186
Asset revaluation reserve		3,976	4,014
Other reserve		(1,684)	(1,684)
Retained earnings		127,449	116,869
		517,927	507,385
Non-controlling interests		(473)	(699)
Total Equity		517,454	506,686
<u>LIABILITIES</u>			
Non-current Liabilities			
Loans and borrowings	B7	43,320	44,836
Lease liabilities	B7	7,020	8,373
Deferred tax liabilities		3,175	3,233
		53,515	56,442
Current Liabilities			
Trade payables		221,639	216,633
Contract liabilities		40,906	39,927
Amounts due to immediate holding company		13	13
Amounts due to related companies		5,535	5,562
Other payables		23,464	30,242
Amount due to an associate		-	17
Bank overdrafts	B7	-	12,674
Loans and borrowings	B7	50,678	35,161
Lease liabilities	B7	12,980	12,890
Tax payable		2,028	510
		357,243	353,629
Total Liabilities		410,758	410,071
TOTAL EQUITY AND LIABILITIES		928,212	916,757
Net assets per share attributable to owners of the parent (RM)		0.88	0.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	<-----Attributable to owners of the parent----->				Total	Non-Controlling Interests	Total Equity
	<-----Non-Distributable----->		Distributable				
Group	Share Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000			
At 1 January 2023	388,186	4,014	(1,684)	116,869	507,385	(699)	506,686
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	12,015	12,015	226	12,241
Realisation of asset revaluation reserve	-	(38)	-	38	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(1,473)	(1,473)	-	(1,473)
At 31 March 2023	388,186	3,976	(1,684)	127,449	517,927	(473)	517,454

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (cont'd)

	<-----Attributable to owners of the parent----->						
	-----Non-Distributable-----			Distributable			
Group	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
At 1 January 2022	388,186	4,165	(1,684)	107,034	497,701	186	497,887
Profit/(Loss) for the financial period, representing total comprehensive income/(loss) for the financial period	-	-	-	7,138	7,138	(322)	6,816
Realisation of asset revaluation reserve	-	(38)	-	38	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(2,497)	(2,497)	-	(2,497)
At 31 March 2022	388,186	4,127	(1,684)	111,713	502,342	(136)	502,206

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	As at 31-Mar-23 RM'000 (Unaudited)	As at 31-Mar-22 RM'000 (Unaudited)
Profit before tax	16,054	11,233
Adjustments for:		
Depreciation of		
- PPE	1,603	1,718
- Investment properties	220	220
- ROU	2,083	1,944
Finance costs	1,278	1,361
Impairment losses on:		
- trade receivables	2	15
Reversal of impairment losses on:		
- amounts due from related companies	(13)	(5)
Gain on disposal of a subsidiary company	-	(599)
(Gain)/loss on disposal of PPE	(6)	5
Interest income	(189)	(75)
Loss on disposal of an associate	-	41
Gain on disposal of ROU	(165)	-
Share of loss/(profit) of associates (net of tax)	12	(27)
Operating profit before working capital changes	20,879	15,831
Changes in working capital:		
Inventories	(6,104)	(1,892)
Receivables	6,361	(4,532)
Payables	(3,378)	929
Contract assets and contract liabilities	(11,152)	(14,583)
Related companies	5,616	(3,793)
Associate	(26)	(17)
	(8,683)	(23,888)
Cash generated from/(used in) operations	12,196	(8,057)
Interest paid	(1,312)	(1,128)
Interest income	189	75
Income tax paid	(2,335)	(3,360)
	(3,458)	(4,413)
Net cash generated from/(used in) operating activities	8,738	(12,470)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (cont'd)

	As at 31-Mar-23 RM'000 (Unaudited)	As at 31-Mar-22 RM'000 (Unaudited)
Cash flows (used in)/generated from investing activities		
Net cash inflow from disposal of a subsidiary company	-	748
Purchase of:		
-PPE	(938)	(257)
-ROU	(59)	(74)
Proceeds from disposal of PPE	171	76
Proceeds from disposal of an associate	-	45
Dividends received from an associate	180	-
Net cash (used in)/generated from investing activities	(646)	538
Cash flows generated from financing activities		
Drawdown of bank borrowings	29,535	51,431
Increase of fixed deposits pledged	(3,734)	(100)
Repayment of lease liabilities	(3,522)	(3,134)
Repayment of bank borrowings	(15,498)	(24,583)
Dividends paid	(1,473)	(2,497)
Net cash generated from financing activities	5,308	21,117
Net increase in cash and cash equivalents	13,400	9,185
Cash and cash equivalents at the beginning of the financial period	33,773	32,447
Cash and cash equivalents at the end of the financial period	47,173	41,632
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	41,374	34,110
Cash held under Housing Development Accounts	5,625	21,027
Fixed deposits with licensed banks	10,905	5,941
Bank overdrafts	-	(13,676)
	57,904	47,402
Less: Fixed deposits pledged with licensed banks	(10,731)	(5,770)
	47,173	41,632

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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 2022. 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 2022.

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 2022 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.

		<u>Effective date for financial periods beginning on or after</u>
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	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	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 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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 2022 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)

31 March 2023 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	191,250	9,118	-	200,368
Less: Inter-segment revenue	(22,609)	-	-	(22,609)
Revenue from external customers	168,641	9,118	-	177,759
Results				
Interest income	129	60	-	189
Finance costs	(1,043)	(13)	(222)	(1,278)
Depreciation	(3,863)	(38)	(5)	(3,906)
Share of loss of associates (net of tax)	(12)	-	-	(12)
Segment profit/(loss) before tax	13,399	3,058	(403)	16,054
Taxation				(3,813)
Profit after tax				12,241
Other non-cash items				
Impairment losses on receivables	1	1	-	2
Gain on disposal of PPE	(6)	-	-	(6)
Reversal of impairment losses on receivables	(13)	-	-	(13)
Gain on disposal of ROU	(165)	-	-	(165)
Assets				
Additions to non-current assets	4,844	15	-	4,859
Segment assets	537,287	135,359	255,566	928,212
Liabilities				
Segment liabilities	359,976	37,274	13,508	410,758

A4. Segmental Information (Cont'd)

31 March 2022 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	183,679	4,581	-	188,260
Less: Inter-segment revenue	(9,669)	-	-	(9,669)
Revenue from external customers	174,010	4,581	-	178,591
Results				
Interest income	44	31	-	75
Finance costs	(1,137)	(58)	(166)	(1,361)
Depreciation	(3,838)	(31)	(13)	(3,882)
Share of profit of associates (net of tax)	27	-	-	27
Segment profit/(loss) before tax	10,912	664	(343)	11,233
Taxation				(4,417)
Profit after tax				6,816
Other non-cash items				
Impairment losses on receivables	2	13	-	15
Loss on disposal of PPE	5	-	-	5
Reversal of impairment losses on receivables	(5)	-	-	(5)
Loss on disposal of an associate company	41	-	-	41
Gain on disposal of a subsidiary company	(599)	-	-	(599)
Assets				
Additions to non-current assets	952	55	-	1,007
Segment assets	597,024	119,406	255,702	972,132
Liabilities				
Segment liabilities	426,322	29,981	13,623	469,926

A4. Segmental Information (Cont'd)

Segmental Performance (financial period ended 31 March 2023 against financial period ended 31 March 2022)

Construction and Trading

Revenue from construction and trading segment decreased by RM5.37 million from RM174.01 million in preceding year corresponding quarter to RM168.64 million in current financial period. The decrease in revenue due to finalising projects for Residensi Bintang and Mercu Jalil at Bukit Jalil targeted completed in this year.

Despite lower revenue, the segment Profit Before Tax ("PBT") for the current financial period was RM13.40 million compared to the preceding year corresponding quarter RM10.91 million. PBT increased by RM2.49 million due to Kita Harmoni and Kita Impian project cost improved.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM14.26 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

Revenue from property development segment increased by RM4.54 million from RM4.58 million in preceding year corresponding quarter to RM9.12 million in current financial period. The notable growth driven predominantly by the project Laman Bayu Phase 3 and Phase 4 and newly launched project Idaman Melur with total 1,448 units of affordable apartment project located at Cybersouth.

The segment Profit Before Tax ("PBT") for the current quarter was also improved recorded at RM3.06 million compared to the preceding year corresponding quarter RM0.67 million.

The property development segment registered revenue of RM9.12 million and PAT of RM3.06 million in current financial period under review as compared to of RM4.58 million and RM0.66 million respectively in preceding year corresponding quarter.

Others

Loss Before Tax ("LBT") of other segment decrease slightly by RM0.06 million from RM0.34 million in preceding year corresponding quarter to RM0.40 million in current financial period.

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

	RM'000
In respect of the financial year ended 31 December 2022:	
- Interim dividend of RM0.00249 per ordinary share, paid on 30 March 2023	1,473
Total dividends paid as at 31 March 2023	<u>1,473</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.

A10. Debts and Equity Securities

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

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

A11. Changes in Composition of the Group

On 23 February 2023, MGB Geotech Sdn. Bhd. (“MGSB”), an indirect wholly-owned subsidiary company of the Company, has changed its name to MGB Kampar Development Sdn. Bhd. and subsequently changed its name to MGB Development Sdn. Bhd. (“MDSB”) on 29 March 2023.

On 29 March 2023, MDSB has changed its principal activity from piling and foundation construction works to property development and operation of generation facilities that produce electric energy.

On 30 March 2023, MGBCE, a wholly-owned subsidiary company of the Company, has transferred all the equity interest in MDSB (formerly known as MGB Kampar Development Sdn. Bhd.) to MGB Land Sdn. Bhd., a wholly-owned subsidiary company of the Company for a cash consideration of Ringgit Malaysia Seven Hundred and Fifty Thousand (RM750,000.00) only.

Saved as disclosed above, there were no other changes in the composition of the Group during the current quarter.

A12. Capital Commitments

Total capital commitments of the Group comprised of the followings:

	As at 31-Mar-23	As at 31-Mar-22
	RM'000	RM'000
<u>Authorised and contracted for :</u>		
Purchase order for		
- Property, plant and equipment	3,244	43

A13. Subsequent Events

On 13 April 2023, MDSB had increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares. MGB Land Sdn. Bhd. has subscribed for additional 250,000 ordinary shares in MDSB by way of capitalisation.

Save as disclosed above, there were no subsequent events as at 11 May 2023, being the latest practicable date (“LPD”), which shall not be earlier than 7 days from the date of issuance of this interim financial report.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

A14. Changes in Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

	As at 31-Mar-23 RM'000	As at 31-Mar-22 RM'000
Bank guarantees issued for:		
- Construction Contracts	-	72
- Property Development	10,143	2,703
	10,143	2,775

(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 year were summarised as follows:

	As at 31-Mar-23 RM'000	As at 31-Mar-22 RM'000
Income		
Contract revenue	156,268	154,686
Expenses		
Dividends paid	1,094	1,853
Rental expenses paid/payable	48	50
Management fee	95	-
	95	-

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

B1. Review of Group Performance

Individual Quarter				Cumulative Period			
Current Year Quarter Ended 31-Mar-23	Preceding Year Quarter Ended 31-Mar-22	Variance		Current Year To Date Ended 31-Mar-23	Preceding Year To Date Ended 31-Mar-22	Variance	
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%

Revenue	177,759	178,591	(832)	-0.47%	177,759	178,591	(832)	-0.47%
Profit before tax	16,054	11,233	4,821	42.92%	16,054	11,233	4,821	42.92%
Profit after tax ("PAT")	12,241	6,816	5,425	79.59%	12,241	6,816	5,425	79.59%

Individual and Cumulative Period

The Group achieved revenue of RM177.76 million in current financial period which representing RM0.83 million or 0.47% lower as compared to the preceding year corresponding period.

The movement of the revenue mainly attributable to the decrease recorded in construction segment of approximately RM5.37 million and increase in property development segment of approximately RM4.54 million.

As explained under the segmental performance, construction and trading segment remains as the key driver in contributing the revenue of the Group followed by strengthen of revenue in property development segment.

The Group's total assets and total liabilities stood at RM928.21 million and RM410.76 million respectively as at 31 March 2023. Assets of approximately RM537.29 million or 57.88% and liabilities of RM359.98 million or 87.64% were from the construction and trading segment.

B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 31-Mar-23	Immediate Preceding Quarter Ended 31-Dec-22	Variance	
	RM'000	RM'000	RM'000	%
Revenue	177,759	145,582	32,177	22.10%
Profit before tax ("PBT")	16,054	6,816	9,238	135.53%
Profit after tax ("PAT")	12,241	3,808	8,433	221.45%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an increase of approximately RM29.51 million and property development segment an increase of approximately RM2.67 million. Higher revenue and profit recorded in current quarter was contributed by completing projects and higher progress from the newer projects.

B3. Prospects for the Year

Construction and property development segments remained challenging as a result of high material costs, supply chain disruption and recent Bank Negara Malaysia raised of OPR on May 2023 by 0.25%.

Despite these challenges, through MGB's Value Driven Technology ("VaDTech") approach, bolstered by the government's plan to construct 500,000 affordable homes by the 2025 as part of the 12th Malaysia Plan, variety of financing schemes to promote affordable home development and reasonable cement price will be offered to housing developers, 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 evolution from time to time, MGB strike to achieve optimum outcome out of the uncertainties.

Underpinned by existing orderbook of approximately RM1.78 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 2023.

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.

	Current Quarter 31-Mar-23 RM'000	Current Year to Date 31-Mar-23 RM'000
Income Tax:		
- Current year	3,820	3,820
Deferred Tax:		
- Current year	(7)	(7)
Total Taxation	3,813	3,813

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 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 conditions precedent in the Proposed JVA have been fulfilled and the Proposed JVA has become unconditional.
- (b) On 14 December 2022, the Board announced that its wholly-owned subsidiary, Retro Court Sdn. Bhd. ("RCSB") had entered into a Framework Agreement with Invest Energy Sdn. Bhd. ("IESB") to collaborate with each other to explore the potential design, finance, operation, use, and/or maintenance of clean energy solutions such as green energy (including but not limited to all types of renewable energy and energy efficiency solutions such as solar, biogas, biomass and/or combined heat and power) in an industrial park known as Kerteh Terengganu Industrial Park ("KTIP") by IESB which includes IESB's obligation to provide a centralised utility facilities together with a centralised plant at a designated area to be determined by RCSB but in any event shall not be more than 10 acres from the entire KTIP's development land, towards improving KTIP's energy efficiency and environmental footprint.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

B6. Status of Corporate Proposals Announced (cont'd)

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

- (c) On 13 January 2023, the Board announced that the Company had entered into a Memorandum of Understanding (“MOU”) with SANY Alameriah For Construction Co., Ltd., a limited liability company incorporated at Kingdom of Saudi Arabia, in relation to collaborate and co-operate with each other for the installation of IBS precast concrete products up to 10,000 units of properties under the Government Sakani Program in Kingdom of Saudi Arabia and to be completed within Five (5) years [as hereinafter defined “Construction of Units”] and operate the precast concrete factory located in Jeddah (“Factory”) and supply of IBS precast concrete products for the Construction of Units [“Operation of Precast Concrete Manufacturing”]. The value of the supply and install for the Construction of Units is approximately 2.5 billion SAR.

The Construction of Units and Operation of Precast Concrete Manufacturing are collectively known as “Projects” and is subject to terms to be mutually agreed and/or determined in a Definitive Agreement upon the successful award of the Construction of Units or any part thereof by the Awarder for the implementation of the Construction of Units between the Parties as the case may be.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 31-Mar-23 RM'000 (Unaudited)
Secured	
Term loans	49,061
Revolving credits	27,500
Trade services	17,437
Lease liabilities	20,000
Total	113,998
 Current	
Term loans	5,741
Revolving credits	27,500
Trade services	17,437
Lease liabilities	12,980
Total	63,658
 Non-current	
Term loans	43,320
Lease liabilities	7,020
Total	50,340

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

In respect of the financial year ended 31 December 2022:

On 17 February 2023, the Company declared an interim dividend of RM0.00249 per ordinary share amounting to RM1.47 million paid on 30 March 2023.

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	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Profit attributable to owners of the parent (RM'000)	12,015	7,138	12,015	7,138
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.03	1.21	2.03	1.21

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	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Profit attributable to owners of the parent (RM'000)	12,015	7,138	12,015	7,138
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.03	1.21	2.03	1.21

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

	Current Quarter Ended 31-Mar-23 RM'000	Current Year To Date Ended 31-Mar-23 RM'000
Interest income	(189)	(189)
Rental income	(67)	(67)
Reversal of impairment losses on receivables	(13)	(13)
Gain on disposal of PPE	(6)	(6)
Gain on disposal of ROU	(165)	(165)
Impairment losses on receivables	2	2
Depreciation of investment properties	220	220
Depreciation of PPE	1,603	1,603
Depreciation of ROU	2,083	2,083
Finance costs	1,278	1,278

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 18 May 2023.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)