



MGB BERHAD

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

INTERIM FINANCIAL REPORT 31 DECEMBER 2023

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

	Individual Quarter		Year to Date		
	Current Year Quarter Ended 31-Dec-23 (Unaudited) RM'000	Preceding Year Quarter Ended 31-Dec-22 (Audited) RM'000	Current Year To Date Ended 31-Dec-23 (Unaudited) RM'000	Preceding Year To Date Ended 31-Dec-22 (Audited) RM'000	
Revenue	305,333	145,582	971,828	612,801	
Cost of sales	(262,199)	(122,627)	(823,270)	(524,105)	
Gross profit	43,134	22,955	148,558	88,696	
Interest income	(74)	308	824	648	
Other income	181	160	1,758	1,649	
Operating expenses	(23,113)	(15,270)	(76,081)	(60,103)	
Finance costs	(1,724)	(1,367)	(6,086)	(5,508)	
Share of profit of associates (net of tax)	7	31	232	230	
Profit before tax	18,411	6,817	69,205	25,612	
Taxation	(4,704)	(3,008)	(18,118)	(11,400)	
Profit after tax for the financial year	13,707	3,809	51,087	14,212	
Other comprehensive income for the financial year	371	-	319	-	
Total comprehensive income for the financial year	14,078	3,809	51,406	14,212	
Profit/(Loss) for the financial year attributable to:					
Owners of the parent	12,482	3,717	48,799	15,097	
Non-controlling interests	1,225	92	2,288	(885)	
	13,707	3,809	51,087	14,212	
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the parent	12,853	3,717	49,118	15,097	
Non-controlling interests	1,225	92	2,288	(885)	
	14,078	3,809	51,406	14,212	
Earnings per share attributable to owners of the parent:					
Basic (Sen)	B10	2.11	0.63	8.25	2.55
Diluted (Sen)	B10	2.11	0.63	8.25	2.55

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 DECEMBER 2023

	Note	31-Dec-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	34,059	21,521
Right-of-use assets ("ROU")	A9	93,441	83,032
Investment properties		37,226	38,108
Investment in associates		485	433
Goodwill on consolidation		254,695	254,695
Deferred tax assets		1,692	854
		421,598	398,643
Current Assets			
Inventories and contract costs		131,277	81,260
Contract assets		52,329	32,422
Trade receivables		39,963	35,976
Other receivables		33,200	28,131
Amounts due from related companies		389,379	283,575
Amount due from an associate		11	-
Tax recoverable		3,346	3,306
Fixed deposits with licensed banks		7,809	7,170
Cash held under Housing Development Accounts		17,034	21,136
Cash and bank balances		27,801	25,138
		702,149	518,114
TOTAL ASSETS		1,123,747	916,757

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 31 DECEMBER 2023 (CONT'D)

	Note	31-Dec-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		4,493	4,014
Foreign exchange reserve		(160)	-
Other reserve		(1,684)	(1,684)
Retained earnings		162,715	116,869
		553,550	507,385
Non-controlling interests		1,589	(699)
Total Equity		555,139	506,686
<u>LIABILITIES</u>			
Non-current Liabilities			
Retirement benefit obligations		913	-
Loans and borrowings	B7	38,546	44,836
Lease liabilities	B7	12,922	8,373
Deferred tax liabilities		3,125	3,233
		55,506	56,442
Current Liabilities			
Trade payables		321,736	216,633
Contract liabilities		87,553	39,927
Amounts due to immediate holding company		13	13
Amounts due to related companies		1,277	5,562
Other payables		56,398	30,242
Amount due to an associate		-	17
Loans and borrowings	B7	30,137	47,835
Lease liabilities	B7	12,446	12,890
Tax payable		3,542	510
		513,102	353,629
Total Liabilities		568,608	410,071
TOTAL EQUITY AND LIABILITIES		1,123,747	916,757
Net assets per share attributable to owners of the parent (RM)		0.94	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 YEAR ENDED 31 DECEMBER 2023

	<-----Attributable to owners of the parent----->					Distributable	Non-Controlling Interests	Total Equity
	<-----Non-Distributable----->							
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
Group								
At 1 January 2023	388,186	4,014	-	(1,684)	116,869	507,385	(699)	506,686
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	48,799	48,799	2,288	51,087
Foreign currency translation reserve	-	-	(160)	-	-	(160)	-	(160)
Other comprehensive income	-	479	-	-	-	479	-	479
Transactions with owners								
Dividends paid	-	-	-	-	(2,953)	(2,953)	-	(2,953)
At 31 December 2023	388,186	4,493	(160)	(1,684)	162,715	553,550	1,589	555,139

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	<-----Attributable to owners of the parent----->				Total	Non-Controlling Interests	Total Equity
	Share Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 1 January 2022	388,186	4,165	(1,684)	107,035	497,702	186	497,888
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	15,097	15,097	(885)	14,212
Realisation of asset revaluation reserve	-	(151)	-	151	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(5,414)	(5,414)	-	(5,414)
At 31 December 2022	388,186	4,014	(1,684)	116,869	507,385	(699)	506,686

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 YEAR ENDED 31 DECEMBER 2023

	As at 31-Dec-23 RM'000 (Unaudited)	As at 31-Dec-22 RM'000 (Audited)
Profit before tax	69,205	25,612
Adjustments for:		
Depreciation of		
- PPE	8,038	6,881
- investment properties	882	882
- ROU	9,538	7,880
Finance costs	6,086	5,508
Bad debt written off		37
Impairment losses on:		
- trade receivables	1,364	716
- amounts due from related companies	81	41
- goodwill	-	44
Reversal of impairment losses on:		
- trade receivables	(420)	(39)
- an associate	-	(34)
- amounts due from related companies	(3)	-
Gain on disposal of a subsidiary company	-	(599)
(Gain)/Loss on disposal of PPE	(312)	2
Gain on disposal of ROU	(165)	-
Interest income	(824)	(648)
Loss on disposal of an associate	-	41
Share of profit of associates (net of tax)	(232)	(230)
Provision for retirement benefits	913	-
Operating profit before working capital changes	94,151	46,094
Changes in working capital:		
Inventories	(50,017)	(13,829)
Receivables	(9,999)	(3,052)
Payables	125,239	(58,540)
Contract assets and contract liabilities	27,719	47,777
Related companies	(110,167)	(2,897)
Immediate holding company	-	13
Associate	(27)	(42)
Foreign exchange reserve	(160)	-
	(17,412)	(30,570)
Cash generated from operations	76,739	15,524
Interest paid	(6,161)	(5,572)
Interest received	824	648
Income tax refund	1,001	-
Income tax paid	(16,595)	(13,759)
	(20,931)	(18,683)
Net cash generated from/(used in) operating activities	55,808	(3,159)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	As at 31-Dec-23 RM'000 (Unaudited)	As at 31-Dec-22 RM'000 (Audited)
Cash flows used in investing activities		
Net cash inflow from disposal of a subsidiary company	-	748
Net cash outflow from acquisition of a subsidiary company	-	(941)
Purchase of:		
-PPE	(11,092)	(2,729)
-ROU	(3,735)	(743)
Proceeds from disposal of:		
-PPE	312	132
-ROU	165	-
-an associate	-	45
Dividends received from an associate	180	180
Net cash used in investing activities	(14,170)	(3,308)
Cash flows (used in)/generated from financing activities		
Drawdown of bank borrowings	85,951	132,130
Increase of fixed deposits pledged	(635)	(1,327)
Payment of lease liabilities	(15,497)	(12,876)
Repayment of bank borrowings	(107,246)	(104,720)
Dividends paid	(2,953)	(5,414)
Net cash (used in)/generated from financing activities	(40,380)	7,793
Net increase in cash and cash equivalents	1,258	1,326
Cash and cash equivalents at the beginning of the financial year	33,773	32,447
Cash and cash equivalents at the end of the financial year	35,031	33,773
Cash and cash equivalents at the end of the financial year comprise:		
Cash and bank balances	27,801	25,138
Cash held under Housing Development Accounts	17,034	21,136
Fixed deposits with licensed banks	7,809	7,170
Bank overdrafts	(9,982)	(12,674)
	42,662	40,770
Less: Fixed deposits pledged with licensed banks	(7,631)	(6,997)
	35,031	33,773

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 YEAR ENDED 31 DECEMBER 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 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates for MFRS 108
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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.

		Effective date for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate 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 December 2023 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	1,044,927	115,592	-	1,160,519
Less: Inter-segment revenue	(188,691)	-	-	(188,691)
Revenue from external customers	<u>856,236</u>	<u>115,592</u>	<u>-</u>	<u>971,828</u>
Results				
Interest income	502	315	7	824
Finance costs	(4,491)	(746)	(849)	(6,086)
Depreciation	(17,665)	(768)	(25)	(18,458)
Share of profit of associates (net of tax)	232	-	-	232
Segment profit/(loss) before tax	<u>52,491</u>	<u>18,574</u>	<u>(1,860)</u>	<u>69,205</u>
Taxation				<u>(18,118)</u>
Profit after tax				<u>51,087</u>
Other non-cash items				
Gain on disposal of PPE	(312)	-	-	(312)
Gain on disposal of ROU	(165)	-	-	(165)
Impairment losses on receivables (net)	1,022	-	-	1,022
Provision for retirement benefits	913	-	-	913
Assets				
Additions to non-current assets	38,974	1,571	-	40,545
Segment assets	648,339	220,197	255,211	1,123,747
Liabilities				
Segment liabilities	<u>511,464</u>	<u>48,344</u>	<u>8,800</u>	<u>568,608</u>

A4. Segmental Information (Cont'd)

31 December 2022 (Audited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	642,700	23,809	-	666,509
Less: Inter-segment revenue	(53,708)	-	-	(53,708)
Revenue from external customers	588,992	23,809	-	612,801
Results				
Interest income	249	398	1	648
Finance costs	(4,450)	(335)	(723)	(5,508)
Depreciation	(15,467)	(139)	(37)	(15,643)
Share of profit of associates (net of tax)	230	-	-	230
Segment profit/(loss) before tax	23,820	3,218	(1,426)	25,612
Taxation				(11,400)
Profit after tax				14,212
Other non-cash items				
Bad debt written off	37	-	-	37
Impairment losses on receivables	757	-	-	757
Gain on disposal of a subsidiary company	(599)	-	-	(599)
Reversal of impairment losses on an associate	(34)	-	-	(34)
Loss on disposal of PPE	2	-	-	2
Loss on disposal of an associate	41	-	-	41
Reversal of impairment losses on receivables	(26)	(12)	-	(38)
Goodwill written off	44	-	-	44
Assets				
Additions to non-current assets	9,681	188	-	9,869
Segment assets	520,541	140,926	255,290	916,757
Liabilities				
Segment liabilities	356,855	39,605	13,611	410,071

A4. Segmental Information (Cont'd)

Segmental Performance (financial year ended 31 December 2023 against financial year ended 31 December 2022)

Construction and Trading

Revenue from construction and trading segment increased by RM267.25 million from RM588.99 million in preceding year corresponding quarter to RM856.24 million in current financial year. The increase in revenue mainly contributed by projects such as Idaman BSP, Kita Sejati, Prestige and Kita Mekar.

In line with increase in revenue, the segment Profit Before Tax ("PBT") for the current financial year was RM52.49 million compared to the preceding year corresponding quarter RM23.82 million. PBT increased by RM28.67 million mainly due to increase in progress of construction activities and cost optimisation.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM67.34 million generated in current financial year.

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 RM91.78 million from RM23.81 million in preceding year corresponding quarter to RM115.59 million in current financial year. The segment Profit Before Tax ("PBT") for the current quarter was also improved recorded at RM18.57 million compared to the preceding year corresponding quarter RM3.22 million. This is mainly due to higher progress billings for the project Idaman Melur and Idaman Cahaya Phase 1 and delivery of vacant possession of Laman Bayu Phase 3 and 4.

Others

Loss Before Tax ("LBT") of other segment increase slightly by RM0.43 million from RM1.43 million in preceding year corresponding quarter to RM1.86 million in current financial 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

There were no dividends paid during the current quarter under review.

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.

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A11. Changes in Composition of the Group

On 10 October 2023, MGB International for Industry (“MII”), a wholly-owned subsidiary of MGB Construction Sdn. Bhd. (“MCSB”), an indirect wholly-owned subsidiary of the Company, had increased its paid-up share capital from 12,500 to 412,500 ordinary shares of SAR10 each share. MCSB has subscribed for an additional 400,000 ordinary shares in MII for a total cash consideration of SAR4,000,000 (approximately RM5,042,400.00) 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:

Authorised and contracted for :

Purchase order for
- Property, plant and equipment

As at 31-Dec-23 RM'000	As at 31-Dec-22 RM'000
11,696	-

A13. Subsequent Events

There were no subsequent events as at 12 February 2024, being the latest practicable date (“**LPD**”), which shall not be earlier than 7 days from the date of issuance of this interim financial report.

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A14. Changes in Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

	As at 31-Dec-23 RM'000	As at 31-Dec-22 RM'000
Bank guarantees issued for:		
- Property Development	13,358	2,624
	13,358	2,624

(b) Contingent Assets

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

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-Dec-23 RM'000	As at 31-Dec-22 RM'000
Income		
Progress billing issued	868,510	611,635
Expenses		
Contractor fee paid/payable	-	55
Dividends paid	2,193	4,019
Rental expenses paid/payable	199	198
Management fee paid/payable	381	-
	381	-

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

B1. Review of Group Performance

	Individual Quarter				Year to Date			
	Current Year	Preceding	Variance		Current Year	Preceding	Variance	
	Quarter	Year Quarter			To Date	Year To Date		
	Ended	Ended			Ended	Ended		
	31-Dec-23	31-Dec-22	RM'000	%	31-Dec-23	31-Dec-22	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	305,333	145,582	159,751	109.73%	971,828	612,801	359,027	58.59%
Profit before tax	18,411	6,817	11,594	170.07%	69,205	25,612	43,593	170.21%
Profit after tax ("PAT")	13,707	3,809	9,898	259.86%	51,087	14,212	36,875	259.46%

Individual Quarter

The Group achieved revenue of RM305.33 million in current quarter which representing RM159.75 million or 109.73 % higher as compared to the preceding year corresponding quarter.

The movement of the revenue mainly attributable to the increase recorded in construction segment of approximately RM102.32 million and increase in property development segment of approximately RM57.43 million.

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.

Significant leap in the result were mainly attributable by higher progressive revenue and profit contribution from ongoing projects and cost optimisation.

Year to Date

For the cumulative financial year ended 31 December 2023, the Group recorded revenue of approximately RM971.83 million, representing an increase of approximately RM359.03 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 RM267.25 million and Property Development segment revenue increased by RM91.78 million. The Group's Profit Before Tax ("PBT") recorded increased by RM43.59 million.

The Group's total assets and total liabilities stood at RM1,123.75 million and RM568.61 million respectively as at 31 December 2023. Assets of approximately RM648.34 million or 57.69% and liabilities of RM511.46 million or 89.95% were from the construction and trading segment.

B2. Variation of Results Against Immediate Preceding Quarter

	Current Year Quarter Ended 31-Dec-23	Immediate Preceding Quarter Ended 30-Sep-23	Variance	
	RM'000	RM'000	RM'000	%

Revenue	305,333	256,141	49,192	19.21%
Profit before tax ("PBT")	18,411	17,896	515	2.88%
Profit after tax ("PAT")	13,707	12,734	973	7.64%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an increase of approximately RM14.56 million and property development segment an increase of approximately RM34.63 million. Higher construction revenue recorded in current quarter was contributed by on-going projects such as Kita Sejati, Prestige and completed project Mercuri Jalil at Bukit Jalil. Project Idaman Melur in property development segment has contributed positively to the Group's results.

B3. Prospects for the Year

Despite interest rate hikes challenge, 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 government's decision to subsidize cement price for affordable housing, 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 construction segment's orderbook of approximately RM1.14 billion and unbilled sales of RM0.65 billion from on going property development projects would contribute positively to next year earnings. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group will perform satisfactorily in year 2024.

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% mainly due to losses of certain subsidiaries which cannot set off against taxable profits made by other subsidiaries and non-tax deductible expenses.

	Current Year Quarter 31-Dec-23 RM'000	Current Year to Date 31-Dec-23 RM'000
Income Tax:		
- Current year	4,603	18,964
- Overprovision of prior year	(29)	(378)
	4,574	18,586
 Deferred Tax:		
- Current year	655	57
- Overprovision of prior year	(525)	(525)
	130	(468)
 Total Taxation	4,704	18,118

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 14 December 2022, the Company's indirect 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.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

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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)

(b) On 27 July 2023, the Company's indirect wholly-owned subsidiary, MGB International for Industry ("MII") had entered into a Joint Venture Agreement ("JVA") with SANY Alameriah Industrial ("SA"), a limited liability company incorporated at Kingdom of Saudi Arabia, to outline the obligations and responsibilities of each party to collaborate and co-operate with each other by way of a joint venture as set out below:

- (i) SA is desirous of securing Supply and Installation Contracts for a total aggregate minimum amount of Two Hundred Seventy Thousand Cubic Metres (270,000 m³) of precast concrete products within three (3) years from the Commencement Date. The Commencement Date is the date which SA and MII have fulfilled their obligations as provided in the JVA during ninety (90) working days transition period starting from the Effective Date, i.e. 27 July 2023.
- (ii) During the first year from the Commencement Date, SA needs to secure a minimum order of Ninety Thousand Cubic Metres (90,000 m³) of precast concrete products from the clients to supply and install precast concrete products ("Supply and Installation of Precast Concrete").
- (iii) SA is desirous of collaborating with MII for MII to operate SA's precast concrete factory located at Al Lith RD, Jeddah 3rd Industrial City, Jeddah, Kingdom of Saudi Arabia ("Factory") ["Operation of Factory"] for the production of precast concrete products and works to be carried out by MII pursuant to the purchase orders issued by SA to MII for the installation of precast concrete products within the Kingdom of Saudi Arabia ("Installation Works") to cater for the Supply and Installation Contract.

This Agreement has not been completed as the obligations and responsibilities of each party therein have not been fulfilled.

(c) On 6 October 2023, the Company had entered into a Letter of Intent ("LOI") with Malaysian Green Technology and Climate Change Corporation ("MGTC") and LBS Bina Group Berhad ("LBGB"), the holding company of MGB, and Midwest Green Sdn. Bhd. ("Midwest") with the objective of aiming to promote collaboration and innovative renewable energy projects in Malaysia.

The Company, MGTC, LBGB and Midwest collectively referred to as the "Parties".

The LOI serves as general framework for potential cooperation among the Parties and has no legal binding effect. The LOI shall take immediate effect with no expiry date.

Upon finalization of the term of the collaboration by the Parties, the Parties shall enter into a definitive agreement to record their mutual terms in the Proposal Innovative Solar Farm project.

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)

(d) On 21 October 2023, the Company had entered into a Memorandum of Understanding (“MOU”) and Non-Disclosure Agreement with Almqr Development Co. (“Almqr”), a joint-closed stock company incorporated at Kingdom of Saudi Arabia and Alameriah Real Estate Development Company (“Alameriah”), a limited liability company incorporated at Kingdom of Saudi Arabia, for the purpose to explore the cooperation and investment opportunities in Almadina Almonawara relating to the pioneering, innovative, and distinctive projects, and other projects that have a developmental and social goals, subject to terms and conditions as stipulated in the MOU.

B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 31-Dec-23 RM'000 (Unaudited)
Secured	
Term loans	44,523
Revolving credits	10,000
Bank overdrafts	9,982
Trade services	4,178
Lease liabilities	25,368
Total	94,051
Current	
Term loans	5,977
Revolving credits	10,000
Bank overdrafts	9,982
Trade services	4,178
Lease liabilities	12,446
Total	42,583
Non-current	
Term loans	38,546
Lease liabilities	12,922
Total	51,468

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 quarter under review.

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 Year Quarter Ended		Year to Date Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Profit attributable to owners of the parent (RM'000)	12,482	3,717	48,799	15,097
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.11	0.63	8.25	2.55

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 Year Quarter Ended		Year to Date Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Profit attributable to owners of the parent (RM'000)	12,482	3,717	48,799	15,097
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.11	0.63	8.25	2.55

B11. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Year Quarter Ended 31-Dec-23 RM'000	Current Year To Date Ended 31-Dec-23 RM'000
Interest income	74	(824)
Rental income	(96)	(321)
Reversal of impairment losses on receivables	169	(423)
Gain on disposal of PPE	-	(312)
Gain on disposal of ROU	-	(165)
Impairment losses on receivables	731	1,445
Depreciation of investment properties	221	882
Depreciation of PPE	2,554	8,038
Depreciation of ROU	2,793	9,538
Finance costs	1,724	6,086
Provision for retirement benefits	913	913
	913	913

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 19 February 2024.

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