



MGB BERHAD

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

INTERIM FINANCIAL REPORT 30 JUNE 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Individual Quarter		Period to Date		
	Current Quarter Ended 30-Jun-24 (Unaudited) RM'000	Preceding Quarter Ended 30-Jun-23 (Unaudited) RM'000	Current Period To Date Ended 30-Jun-24 (Unaudited) RM'000	Preceding Period To Date Ended 30-Jun-23 (Unaudited) RM'000	
Revenue	267,995	232,595	485,878	410,354	
Cost of sales	(222,377)	(197,924)	(398,462)	(343,129)	
Gross profit	45,618	34,671	87,416	67,225	
Interest income	220	194	430	383	
Other income	335	980	1,990	1,323	
Operating expenses	(22,136)	(17,725)	(43,920)	(33,467)	
Finance costs	(2,277)	(1,430)	(3,869)	(2,708)	
Share of profit of associates (net of tax)	231	154	533	142	
Profit before tax	21,991	16,844	42,580	32,898	
Taxation	(6,219)	(4,439)	(11,695)	(8,252)	
Profit after tax for the financial period	15,772	12,405	30,885	24,646	
Other comprehensive loss for the financial period	(160)	-	(44)	-	
Total comprehensive income for the financial period	15,612	12,405	30,841	24,646	
Profit for the financial period attributable to:					
Owners of the parent	15,189	12,003	29,391	24,018	
Non-controlling interests	583	402	1,494	628	
	15,772	12,405	30,885	24,646	
Total comprehensive income for the financial period attributable to:					
Owners of the parent	15,029	12,003	29,347	24,018	
Non-controlling interests	583	402	1,494	628	
	15,612	12,405	30,841	24,646	
Earnings per share attributable to owners of the parent:					
Basic (Sen)	B10	2.57	2.03	4.97	4.06
Diluted (Sen)	B10	2.57	2.03	4.97	4.06

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 2023 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 JUNE 2024

	Note	30-Jun-24 (Unaudited) RM'000	31-Dec-23 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	28,281	34,059
Right-of-use assets ("ROU")	A9	96,721	93,441
Investment properties		36,785	37,226
Investment in associates		718	485
Trade receivables		1,756	3,010
Goodwill on consolidation		254,695	254,695
Capital work-in-progress		23,387	-
Deferred tax assets		2,168	1,311
		444,511	424,227
Current Assets			
Inventories and contract costs		97,608	131,067
Contract assets		128,485	52,446
Trade receivables		40,843	36,953
Other receivables		39,555	33,198
Amounts due from related companies		300,596	389,379
Amount due from an associate		11	11
Tax recoverable		3,560	3,102
Fixed deposits with licensed banks		12,315	7,809
Cash held under Housing Development Accounts		44,461	17,036
Cash and bank balances		43,909	27,799
		711,343	698,800
TOTAL ASSETS		1,155,854	1,123,027

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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 2023 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 JUNE 2024 (CONT'D)

	Note	30-Jun-24 (Unaudited) RM'000	31-Dec-23 (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	4,493
Foreign exchange reserve		(44)	(160)
Other reserve		(1,684)	(1,684)
Retained earnings		186,659	162,090
		577,610	552,925
Non-controlling interests		3,083	1,589
Total Equity		580,693	554,514
<u>LIABILITIES</u>			
Non-current Liabilities			
Retirement benefit obligations		2,317	913
Loans and borrowings	B7	44,778	38,546
Lease liabilities	B7	13,957	12,922
Deferred tax liabilities		4,152	3,125
		65,204	55,506
Current Liabilities			
Trade payables		276,276	322,059
Contract liabilities		89,864	87,671
Amounts due to immediate holding company		13	13
Amounts due to related companies		1,992	1,277
Other payables		52,756	55,862
Loans and borrowings	B7	70,536	30,137
Lease liabilities	B7	11,766	12,446
Tax payable		6,754	3,542
		509,957	513,007
Total Liabilities		575,161	568,513
TOTAL EQUITY AND LIABILITIES		1,155,854	1,123,027
Net assets per share attributable to owners of the parent (RM)		0.98	0.93

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 2024

	<-----Attributable to owners of the parent----->							
	<-----Non-Distributable----->				Distributable			
Group	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	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2024	388,186	4,493	(160)	(1,684)	162,090	552,925	1,589	554,514
Profit for the financial period	-	-	-	-	29,391	29,391	1,494	30,885
Other comprehensive income	-	-	116	-	-	116	-	116
Transactions with owners								
Dividends paid	-	-	-	-	(4,822)	(4,822)	-	(4,822)
At 30 June 2024	388,186	4,493	(44)	(1,684)	186,659	577,610	3,083	580,693

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (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 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	-	-	-	24,018	24,018	628	24,646
Realisation of asset revaluation reserve	-	(75)	-	75	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(1,473)	(1,473)	-	(1,473)
At 30 June 2023	388,186	3,939	(1,684)	139,489	529,930	(71)	529,859

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 2023 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Current Period Ended 30-Jun-24 (Unaudited) RM'000	Preceding Period Ended 30-Jun-23 (Unaudited) RM'000
Profit before tax	42,580	32,898
Adjustments for:		
Depreciation of		
- PPE	4,139	3,361
- investment properties	441	441
- ROU	6,170	4,309
Finance costs	3,869	2,708
Impairment losses on:		
- trade receivables	4	540
Reversal of impairment losses on:		
- trade receivables	(88)	(542)
- amounts due from related companies	(41)	(15)
Gain on disposal of PPE	(1,001)	(270)
Gain on disposal of ROU	(130)	(165)
Interest income	(430)	(383)
Share of profit of associates (net of tax)	(533)	(142)
Unrealised loss on foreign exchange	462	-
Realised loss on foreign exchange	95	-
Provision for retirement benefit obligations	1,404	-
Operating profit before working capital changes	56,941	42,740
Changes in working capital:		
Inventories and contract costs	33,459	(14,910)
Trade and other receivables	(9,111)	10,337
Trade and other payables	(46,892)	31,990
Contract assets and contract liabilities	(73,846)	(2,642)
Amount due from/(to) related companies	89,540	(31,311)
Amount due from an associate	-	(27)
	(6,850)	(6,563)
Cash (used in)/generated from operations	50,091	36,177
Interest paid	(3,791)	(2,740)
Interest received	430	383
Income tax paid	(8,771)	(4,487)
	(12,132)	(6,844)
Net cash generated from operating activities	37,959	29,333

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)**

	Current Period Ended 30-Jun-24 (Unaudited) RM'000	Preceding Period Ended 30-Jun-23 (Unaudited) RM'000
Cash flows used in investing activities		
Purchase of PPE	(4,341)	(3,038)
Additions in ROU	(673)	(111)
Proceeds from disposal of PPE	4,216	435
Proceeds from disposal of ROU	130	-
Capital work-in-progress incurred	(23,022)	-
Dividends received from an associate	300	180
Net cash used in investing activities	(23,390)	(2,534)
Cash flows generated from financing activities		
Drawdown of bank borrowings	93,434	34,535
Net placements of deposits pledged to licensed banks	(4,541)	(2,541)
Net bank balances pledged to licensed banks	(88)	-
Payment of lease liabilities	(8,183)	(6,939)
Repayment of bank borrowings	(39,501)	(38,180)
Dividends paid	(4,822)	(1,473)
Net cash generated from/(used in) financing activities	36,299	(14,598)
Net increase in cash and cash equivalents	50,868	12,201
Cash and cash equivalents at the beginning of the financial period	34,953	33,773
Effect of exchange rate changes on cash and cash equivalents	(86)	-
Cash and cash equivalents at the end of the financial period	85,735	45,974
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	43,909	31,763
Cash held under Housing Development Accounts	44,461	14,036
Fixed deposits with licensed banks	12,315	9,712
Bank overdrafts	(2,650)	-
	98,035	55,511
Less: Cash and bank balances pledged with licensed bank	(165)	-
Less: Fixed deposits pledged with licensed banks	(12,135)	(9,537)
	85,735	45,974

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL YEAR ENDED 30 JUNE 2024

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 2023. 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 2023.

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 2023 except for the adoption of the following:

Amendments to MFRS 16	Lease Liability in Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 Sale or Contribution of Assets and MFRS 128 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 2023 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, trading of construction materials, manufacturing of Industrialised Building System ("IBS") precast products and construction of residential buildings.
- (ii) Property development – Development of residential and commercial properties.
- (iii) Others - Investment holding and dormant.

A4. Segmental Information (Cont'd)

30 June 2024 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	448,390	237,102	17,080	702,572
Less: Inter-segment revenue	(199,614)	-	(17,080)	(216,694)
Revenue from external customers	248,776	237,102	-	485,878
Results				
Interest income	351	74	5	430
Finance costs	(2,761)	(530)	(578)	(3,869)
Depreciation	(10,381)	(357)	(12)	(10,750)
Share of profit of associates (net of tax)	533	-	-	533
Segment profit/(loss) before tax	3,964	39,862	(1,246)	42,580
Taxation				(11,695)
Profit after tax				30,885
Other non-cash items				
Gain on disposal of PPE	(1,001)	-	-	(1,001)
Gain on disposal of ROU	(130)	-	-	(130)
Reversal impairment losses on receivables (net)	(125)	-	-	(125)
Provision for retirement benefit obligations	1,404	-	-	1,404
Unrealised loss on foreign exchange	462	-	-	462
Realised loss on foreign exchange	95	-	-	95
Assets				
Additions to non-current assets	11,373	-	-	11,373
Segment assets	599,490	300,541	255,823	1,155,854
Liabilities				
Segment liabilities	484,529	65,555	25,077	575,161

A4. Segmental Information (Cont'd)

30 June 2023 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	441,612	22,464	-	464,076
Less: Inter-segment revenue	(53,722)	-	-	(53,722)
Revenue from external customers	<u>387,890</u>	<u>22,464</u>	<u>-</u>	<u>410,354</u>
Results				
Interest income	240	142	1	383
Finance costs	(2,040)	(247)	(421)	(2,708)
Depreciation	(8,022)	(77)	(12)	(8,111)
Share of profit of associates (net of tax)	142	-	-	142
Segment profit/(loss) before tax	29,757	3,991	(850)	32,898
Taxation				(8,252)
Profit after tax				<u>24,646</u>
Other non-cash items				
Gain on disposal of PPE	(270)	-	-	(270)
Gain on disposal of ROU	(165)	-	-	(165)
Reversal of impairment losses on receivables (net)	(17)	-	-	(17)
Assets				
Additions to non-current assets	12,218	26	-	12,244
Segment assets	562,801	151,200	255,405	969,406
Liabilities				
Segment liabilities	390,059	40,366	9,122	439,547

A4. Segmental Information (Cont'd)

Segmental Performance (financial period ended 30 June 2024 against financial period ended 30 June 2023)

Construction and Trading

In the current financial period, revenue from the construction and trading segment decreased by RM139.11 million, reduce from RM387.89 million in the corresponding period of the preceding year to RM248.78 million. The reduced mainly due to the project Kita Mekar, Idaman BSP, Alam Perdana Phase 4 and Alam Perdana Phase 5 nearing complete with minimal progress.

The segment's Profit Before Tax ("PBT") reduced by RM25.80 million from RM29.76 million in the corresponding period of the preceding year to RM3.96 million for the current financial period. The declines in profit is mainly due to the increased in administrative expenses, depreciation and Saudi expenses.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM43.28 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

In the current financial period, revenue from the property development segment increased significantly by RM214.64 million, rising from RM22.46 million in the corresponding period of the preceding year to RM237.10 million. Additionally, the segment's Profit Before Tax ("PBT") for the current period showed remarkable improvement, reaching RM39.86 million, compared to RM4.00 million in the same quarter of the previous year. This positive trend is attributed to higher progress development for the Idaman Melur, Idaman Cahaya Phase 1 & Phase 2, Idaman Sari and Saujana Indah Phase 1 & Phase 2.

Others

Loss Before Tax ("LBT") of other segment increased by RM0.40 million from RM0.85 million in corresponding period of the preceding year to RM1.25 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 2023:	
- First interim single-tier dividend of RM0.00815 per ordinary share, paid on 29 March 2024	4,822
Total dividends paid as at 30 June 2024	<u>4,822</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 were 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 2 May 2024, Prisma Kasturi Sdn. Bhd. (“PKSB”), an indirect wholly-owned subsidiary of the Company, has changed its principal activity from hospitality to property development.

On 10 May 2024, MGBCE, a wholly-owned subsidiary company of the Company, has transferred all the equity interest in PKSB to MGB Land Sdn. Bhd., a wholly-owned subsidiary company of the Company for a cash consideration of Ringgit Malaysia Two (RM 2.00) 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 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
<u>Authorised and contracted for :</u>		
Purchase order for		
- Property, plant and equipment	5,031	8,161

A13. Subsequent Events

There were no subsequent events as at 12 August 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.

A14. Changes in Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
Bank guarantees issued for:		
- Property Development	13,250	10,074

(b) Contingent Assets

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

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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 30-Jun-24	As at 30-Jun-23
	RM'000	RM'000
Income		
Progress billing issued	246,824	372,972
Expenses		
Dividends paid	3,583	1,094
Rental expenses paid/payable	101	99
Management fee paid/payable	190	190

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

B1. Review of Group Performance

	Individual Quarter				Period to Date			
	Current Quarter Ended 30-Jun-24	Preceding Quarter Ended 30-Jun-23	Variance		Current Period To Date Ended 30-Jun-24	Preceding Period To Date Ended 30-Jun-23	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	267,995	232,595	35,400	15.22%	485,878	410,354	75,524	18.40%
Profit before tax	21,991	16,844	5,147	30.56%	42,580	32,898	9,682	29.43%
Profit after tax ("PAT")	15,772	12,405	3,367	27.14%	30,885	24,646	6,239	25.31%

Individual Quarter and Period to Date

The Group achieved revenue of RM268.00 million in current quarter which representing RM35.40 million or 15.22% higher as compared to the corresponding quarter of the preceding year.

In line with increased in revenue, the PBT & PAT for current quarter increased by RM5.15 million & RM3.36 million.

The Group's total assets and total liabilities stood at RM1.16 billion and RM575.16 million respectively as at 30 June 2024. Assets of approximately RM599.49 million or 51.87% and liabilities of RM484.53 million or 84.24% were from the construction and trading segment.

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B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 30-Jun-24	Immediate Preceding Quarter Ended 31-Mar-24	Variance	
	RM'000	RM'000	RM'000	%
Revenue	267,995	217,883	50,112	23.00%
Profit before tax ("PBT")	21,991	20,589	1,402	6.81%
Profit after tax ("PAT")	15,772	15,113	659	4.36%

Comparing the revenue in the current quarter against the immediate preceding quarter revenue increased by 23%. The construction segment has recorded a decrease of approximately RM11.82 million, while the property development segment has seen an increase of approximately RM61.93 million. Lower construction revenue recorded in current quarter mainly due to projects near completion. Higher property development revenue recorded in current quarter mainly derived from Idaman Melur, Idaman Cahaya Phase 1, & Phase 2.

B3. Prospects for the Year

We remain committed to the construction of affordable homes through innovation and technological advancements, as well as improving our construction process. We also targeted to secure new government projects.

With the first international order received for supplying and installing precast concrete products for 400 villas in the prestigious Roshn Alarous Project in northern Jeddah, we intend to demonstrate the fullest extent of our expertise in manufacturing and automation of processes through the supply installation of IBS precast concrete products by way of our strategic collaboration with Nordimpianti System S.R.L. and MCT Italy S.R.L..

Moving forward, the resilience of the Group underpinned by existing construction segment's orderbook of approximately RM1.31 billion and unbilled sales of RM0.71 billion from on going property development projects would contribute positively to next year earnings.

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 Quarter 30-Jun-24 RM'000	Current Period to Date 30-Jun-24 RM'000
Income Tax:		
- Current year	5,552	11,525
Deferred Tax:		
- Current year	667	170
Total Taxation	6,219	11,695

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 finalisation 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 30-Jun-24 RM'000 (Unaudited)
Secured	
Term loans	50,890
Revolving credits	40,500
Bank overdrafts	2,650
Trade services	21,274
Lease liabilities	25,723
Total	141,037
Current	
Term loans	6,112
Revolving credits	40,500
Bank overdrafts	2,650
Trade services	21,274
Lease liabilities	11,766
Total	82,302
Non-current	
Term loans	44,778
Lease liabilities	13,957
Total	58,735

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 previous financial year ended 31 December 2023:

At the General Meeting held on 13 June 2024, the shareholders of the Company approved a final single-tier dividend of RM0.00818 per ordinary share, which had been paid on 23 July 2024 to shareholders whose name appeared in the company's Record of Depositors on 28 June 2024.

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		Period to Date Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to owners of the parent (RM'000)	15,189	12,003	29,391	24,018
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.57	2.03	4.97	4.06

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		Period to Date Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to owners of the parent (RM'000)	15,189	12,003	29,391	24,018
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.57	2.03	4.97	4.06

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

	Current Quarter Ended 30-Jun-24 RM'000	Current Period To Date Ended 30-Jun-24 RM'000
Interest income	(220)	(430)
Rental income	(93)	(181)
Reversal of impairment losses on receivables	(70)	(129)
Gain on disposal of PPE	(975)	(1,001)
Gain on disposal of ROU	(130)	(130)
Impairment losses on receivables	2	4
Depreciation of investment properties	221	441
Depreciation of PPE	2,033	4,139
Depreciation of ROU	3,243	6,170
Finance costs	2,277	3,869
Provision for retirement benefit obligations	695	1,404
Unrealised loss on foreign exchange	259	462
Realised loss on foreign exchange	95	95

B12. Authorisation for Issue

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

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