



MGB BERHAD

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2024

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

	Individual Quarter		Period to Date		
	Current Quarter Ended 30-Sep-24 (Unaudited) RM'000	Preceding Quarter Ended 30-Sep-23 (Unaudited) RM'000	Current Period To Date Ended 30-Sep-24 (Unaudited) RM'000	Preceding Period To Date Ended 30-Sep-23 (Unaudited) RM'000	
Note					
Revenue	289,248	256,141	775,126	666,495	
Cost of sales	(243,767)	(217,942)	(642,229)	(561,071)	
Gross profit	45,481	38,199	132,897	105,424	
Interest income	318	515	748	898	
Other income	4,243	254	6,233	1,577	
Operating expenses	(25,923)	(19,501)	(69,843)	(52,968)	
Finance costs	(1,861)	(1,654)	(5,730)	(4,362)	
Share of (loss)/profit of associates (net of tax)	(20)	83	513	225	
Profit before tax	22,238	17,896	64,818	50,794	
Taxation	(5,690)	(5,162)	(17,385)	(13,414)	
Profit after tax for the financial period	16,548	12,734	47,433	37,380	
Other comprehensive profit/(loss) for the financial period	42	-	(2)	-	
Total comprehensive income for the financial period	16,590	12,734	47,431	37,380	
Profit for the financial period attributable to:					
Owners of the parent	16,284	12,299	45,675	36,317	
Non-controlling interests	264	435	1,758	1,063	
	16,548	12,734	47,433	37,380	
Total comprehensive income for the financial period attributable to:					
Owners of the parent	16,326	12,299	45,673	36,317	
Non-controlling interests	264	435	1,758	1,063	
	16,590	12,734	47,431	37,380	
Earnings per share attributable to owners of the parent:					
Basic (Sen)	B10	2.75	2.08	7.72	6.14
Diluted (Sen)	B10	2.75	2.08	7.72	6.14

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 SEPTEMBER 2024

	Note	30-Sep-24 (Unaudited) RM'000	31-Dec-23 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	28,990	34,059
Right-of-use assets ("ROU")	A9	94,398	93,441
Investment properties		36,565	37,226
Investment in associates		698	485
Trade receivables		1,786	3,010
Goodwill on consolidation		254,695	254,695
Capital work-in-progress		22,408	-
Deferred tax assets		2,272	1,311
		441,812	424,227
Current Assets			
Inventories and contract costs		78,431	131,067
Contract assets		188,385	52,446
Trade receivables		21,320	36,953
Other receivables		42,068	33,198
Amounts due from related companies		188,118	389,379
Amount due from an associate		11	11
Tax recoverable		4,625	3,102
Fixed deposits with licensed banks		13,861	7,809
Cash held under Housing Development Accounts		6,805	17,036
Cash and bank balances		86,515	27,799
		630,139	698,800
TOTAL ASSETS		1,071,951	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 SEPTEMBER 2024 (CONT'D)**

Note	30-Sep-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	(2)	(160)
Other reserve	(1,684)	(1,684)
Retained earnings	198,103	162,090
	589,096	552,925
Non-controlling interests	3,347	1,589
Total Equity	592,443	554,514
<u>LIABILITIES</u>		
Non-current Liabilities		
Retirement benefit obligations	3,000	913
Loans and borrowings	B7 51,032	38,546
Lease liabilities	B7 12,162	12,922
Deferred tax liabilities	3,995	3,125
	70,189	55,506
Current Liabilities		
Trade payables	262,345	322,059
Contract liabilities	57,601	87,671
Amounts due to immediate holding company	-	13
Amounts due to related companies	2,541	1,277
Other payables	53,706	55,862
Loans and borrowings	B7 12,878	30,137
Lease liabilities	B7 11,698	12,446
Tax payable	8,550	3,542
	409,319	513,007
Total Liabilities	479,508	568,513
TOTAL EQUITY AND LIABILITIES	1,071,951	1,123,027
Net assets per share attributable to owners of the parent (RM)	1.00	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 SEPTEMBER 2024**

	<-----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 2024	388,186	4,493	(160)	(1,684)	162,090	552,925	1,589	554,514
Profit for the financial period	-	-	-	-	45,675	45,675	1,758	47,433
Other comprehensive income	-	-	158	-	-	158	-	158
Transactions with owners								
Dividends paid	-	-	-	-	(9,662)	(9,662)	-	(9,662)
At 30 September 2024	388,186	4,493	(2)	(1,684)	198,103	589,096	3,347	592,443

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONT'D)

	<-----Attributable to owners of the parent----->				<-----Non-Distributable-----> Distributable		
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Group							
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	-	-	-	36,317	36,317	1,063	37,380
Foreign currency translation reserve	-	-	(52)	-	(52)	-	(52)
Realisation of asset revaluation reserve	-	(113)	-	113	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(2,952)	(2,952)	-	(2,952)
At 30 September 2023	388,186	3,901	(1,736)	150,347	540,698	364	541,062

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 SEPTEMBER 2024

	Current Period Ended 30-Sep-24 (Unaudited) RM'000	Preceding Period Ended 30-Sep-23 (Unaudited) RM'000
Profit before tax	64,818	50,794
Adjustments for:		
Depreciation of		
- PPE	6,026	5,484
- investment properties	661	661
- ROU	9,433	6,745
Finance costs	5,730	4,362
Impairment losses on:		
- trade receivables	9	675
- amounts due from related companies	-	39
Reversal of impairment losses on:		
- trade receivables	(133)	(589)
- amounts due from related companies	(129)	(3)
Gain on disposal of PPE	(3,780)	(312)
Gain on disposal of ROU	(170)	(165)
Interest income	(748)	(898)
Share of profit of associates (net of tax)	(513)	(225)
Unrealised loss on foreign exchange	3,133	-
Realised loss on foreign exchange	22	-
Provision for retirement benefit obligations	2,087	-
Operating profit before working capital changes	86,446	66,568
Changes in working capital:		
Inventories and contract costs	51,786	(30,605)
Trade and other receivables	4,244	14,122
Trade and other payables	(59,553)	63,593
Contract assets and contract liabilities	(166,047)	14,080
Amount due from/(to) related companies	202,654	(80,235)
Amount due to holding company	(13)	-
Amount due from an associate	-	(27)
Foreign exchange reserve	-	(52)
	33,071	(19,124)
Cash (used in)/generated from operations	119,517	47,444
Interest paid	(5,736)	(4,383)
Interest received	748	898
Income tax refund	-	1,001
Income tax paid	(14,011)	(8,006)
	(18,999)	(10,490)
Net cash generated from operating activities	100,518	36,954

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

	Current Period Ended 30-Sep-24 (Unaudited) RM'000	Preceding Period Ended 30-Sep-23 (Unaudited) RM'000
Cash flows (used in)/generated from investing activities		
Purchase of PPE	(3,530)	(7,655)
Additions in ROU	(1,099)	(309)
Proceeds from disposal of PPE	4,192	312
Proceeds from disposal of ROU	170	165
Capital work-in-progress incurred	(24,700)	-
Dividends received from an associate	300	180
Net cash used in investing activities	(24,667)	(7,307)
Cash flows generated from/(used in) financing activities		
Drawdown of bank borrowings	93,434	68,785
Net placements of deposits pledged to licensed banks	(3,661)	(2,296)
Net bank balances pledged to licensed banks	(1,152)	-
Payment of lease liabilities	(10,971)	(11,067)
Repayment of bank borrowings	(88,336)	(78,952)
Dividends paid	(9,662)	(2,952)
Net cash used in financing activities	(20,348)	(26,482)
Net increase in cash and cash equivalents	55,503	3,165
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	1,817	-
Cash and cash equivalents at the end of the financial period	92,273	36,938
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	86,515	27,858
Cash held under Housing Development Accounts	6,805	8,905
Fixed deposits with licensed banks	13,861	9,469
	107,181	46,232
Less: Cash and bank balances pledged with licensed bank	(1,228)	-
Less: Fixed deposits pledged with licensed banks	(13,680)	(9,294)
	92,273	36,938

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 SEPTEMBER 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 September 2024 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	709,559	369,280	30,818	1,109,657
Less: Inter-segment revenue	(303,713)	-	(30,818)	(334,531)
Revenue from external customers	405,846	369,280	-	775,126
Results				
Interest income	614	128	6	748
Finance costs	(4,136)	(865)	(729)	(5,730)
Depreciation	(15,610)	(491)	(19)	(16,120)
Share of profit of associates (net of tax)	513	-	-	513
Segment profit/(loss) before tax	8,676	58,022	(1,880)	64,818
Taxation				(17,385)
Profit after tax				47,433
Other non-cash items				
Gain on disposal of PPE	(3,767)	(13)	-	(3,780)
Gain on disposal of ROU	(170)	-	-	(170)
Reversal impairment losses on receivables (net)	(233)	(20)	-	(253)
Provision for retirement benefit obligations	2,087	-	-	2,087
Unrealised loss on foreign exchange	3,133	-	-	3,133
Realised loss on foreign exchange	22	-	-	22
Assets				
Additions to non-current assets	12,283	-	-	12,283
Segment assets	534,141	279,876	257,934	1,071,951
Liabilities				
Segment liabilities	411,098	69,039	(629)	479,508

A4. Segmental Information (Cont'd)

30 September 2023 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	714,110	51,711	-	765,821
Less: Inter-segment revenue	(99,326)	-	-	(99,326)
Revenue from external customers	614,784	51,711	-	666,495
Results				
Interest income	373	523	2	898
Finance costs	(3,246)	(498)	(618)	(4,362)
Depreciation	(12,526)	(346)	(18)	(12,890)
Share of profit of associates (net of tax)	225	-	-	225
Segment profit/(loss) before tax	43,829	8,263	(1,298)	50,794
Taxation				(13,414)
Profit after tax				37,380
Other non-cash items				
Gain on disposal of PPE	(312)	-	-	(312)
Gain on disposal of ROU	(165)	-	-	(165)
Reversal of impairment losses on receivables (net)	122	-	-	122
Assets				
Additions to non-current assets	24,780	1,571	-	26,351
Segment assets	606,855	180,188	255,487	1,042,530
Liabilities				
Segment liabilities	439,458	52,774	9,236	501,468

A4. Segmental Information (Cont'd)

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

Construction and Trading

In the current financial period, revenue from the construction and trading segment decreased by RM208.93 million, reduce from RM614.78 million in the corresponding period of the preceding year to RM405.85 million. The reduced mainly due to the completed project such as Kita Mekar, Alam Perdana Phase 4, Alam Perdana Phase 5 and project nearing complete with minimal progress.

The segment's Profit Before Tax ("PBT") reduced by RM35.15 million from RM43.83 million in the corresponding period of the preceding year to RM8.68 million for the current financial period. The declines in profit is mainly due to the increased in overall administrative expenses and Saudi expenses.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM58.07 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 RM317.57 million, rising from RM51.71 million in the corresponding period of the preceding year to RM369.28 million. Additionally, the segment's Profit Before Tax ("PBT") for the current period showed remarkable improvement, reaching RM58.02 million, compared to RM8.26 million in the same quarter of the previous year. The growth was mainly contributed by the increase in progress development for the ongoing development projects of Idaman Melur, Idaman Cahaya Phase 1 & Phase 2, Idaman Sari and Saujana Indah Phase 1 and Phase 2.

Others

Loss Before Tax ("LBT") of other segment increased by RM0.58 million from RM1.30 million in corresponding period of the preceding year to RM1.88 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:	
- Final single-tier dividend of RM0.00818 per ordinary share, paid on 23 July 2024	4,840
Total dividends paid during the financial quarter under review	<u>4,840</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

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-Sep-24	As at 30-Sep-23
	RM'000	RM'000
<u>Authorised and contracted for :</u>		
Purchase order for		
- Property, plant and equipment	711	1,227

A13. Subsequent Events

There were no subsequent events as at 13 November 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-Sep-24	As at 30-Sep-23
	RM'000	RM'000
Bank guarantees issued for:		
- Property Development	13,350	14,614

(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-Sep-24	As at 30-Sep-23
	RM'000	RM'000
Income		
Progress billing issued	365,908	623,557
Expenses		
Dividends paid	7,133	2,193
Rental expenses paid/payable	149	148
Management fee paid/payable	286	286

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

B1. Review of Group Performance

	Individual Quarter		Variance		Period to Date		Variance	
	Current Quarter Ended 30-Sep-24	Preceding Quarter Ended 30-Sep-23			Current Period To Date Ended 30-Sep-24	Preceding Period To Date Ended 30-Sep-23		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	289,248	256,141	33,107	12.93%	775,126	666,495	108,631	16.30%
Profit before tax ("PBT")	22,238	17,896	4,342	24.26%	64,818	50,794	14,024	27.61%
Profit after tax ("PAT")	16,548	12,734	3,814	29.95%	47,433	37,380	10,053	26.89%

Individual Quarter and Period to Date

The Group achieved revenue of RM289.25 million in current quarter which representing RM33.11 million or 12.93% 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 RM4.34 million & RM3.81 million.

For the cumulative nine months period, group revenue rose by 16.30% to RM775.13 million compared to the corresponding period last year. Concurrently, profit before taxation increased by 27.61% to RM64.82 million as compared to RM50.79 million in the corresponding period last year.

The Group's total assets and total liabilities stood at RM1.07 billion and RM479.51 million respectively as at 30 September 2024. Assets of approximately RM534.14 million or 49.83% and liabilities of RM411.10 million or 85.73% were from the construction and trading segment.

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B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 30-Sep-24	Immediate Preceding Quarter Ended 30-Jun-24	Variance	
	RM'000	RM'000	RM'000	%
Revenue	289,248	267,995	21,253	7.93%
Profit before tax ("PBT")	22,238	21,991	247	1.12%
Profit after tax ("PAT")	16,548	15,772	776	4.92%

The Group's revenue witnessed a quarter-over-quarter increase of RM21.25 million or 7.93% when compared to the immediate preceding quarter ended 30 September 2024. The growth was primarily driven by the construction contributions from completed projects, namely Alam Perdana Phase 4, Alam Perdana Phase 5, Kita Mekar and the project nearing finalise, namely Idaman BSP for the quarter under review.

In line with the revenue increased, profit before tax and profit after tax increased by 1.12% and 4.92% respectively.

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 RM1.19 billion and unbilled sales of RM0.69 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-Sep-24 RM'000	Current Period to Date 30-Sep-24 RM'000
Income Tax:		
- Current year	7,011	18,536
- Underprovision of prior year	(1,041)	(1,041)
	5,970	17,495
 Deferred Tax:		
- Current year	(280)	(110)
Total Taxation	5,690	17,385

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.

The MOU is subject to terms and conditions as stipulated in the MOU.

On 15 November 2024, the Board of Directors of the MGB announced that the MOU had expired pursuant to the terms of the MOU (“MOU Expiry”).

Following the MOU Expiry, neither party shall have any claim whatsoever, directly or indirectly, against the other in respect of the MOU. The MOU Expiry will not have any material financial impact on MGB and its subsidiaries.

- (e) On 10 October 2024, the Company’s indirect wholly-owned subsidiary, Prisma Kasturi Sdn. Bhd. (“PKSB”) had entered into a Joint Venture Agreement (“JVA”) with Kandis Permai Sdn. Bhd. (“KPSB”) to jointly develop the four parcels of Malay Reserve Land with total area measuring approximately 38427.93 square meters (9.50 acres) identified as Lot 8394, Lot 8395, Lot 8396 and Lot 8397 located in Jalan Bukit Serdang 11/14, Mukim Petaling, Daerah Petaling Negeri Selangor (“Development Land”) into residential units or any other development to be determined at the absolute discretion of the Developer in accordance with the Approved Layout Plans.

The JVA has not been completed as the Conditions Precedent therein have not been fulfilled.

- (f) On 10 October 2024, the Company’s indirect wholly-owned subsidiary, Prisma Kasturi Sdn. Bhd. (“PKSB”) had entered into a Joint Venture Agreement (“JVA”) with Talam Transform Berhad (“TTB”) to jointly develop all that parcel of land measuring approximately 16.50 acres (“Development Land”) which is forming part of the master land held under H.S.(D) 146408 PT 51440 in Mukim Petaling Daerah Petaling Negeri Selangor with total area measuring approximately 245,400 square meters (60.639 acres) into a mixed development comprising of commercial units and affordable home units pursuant to affordable housing scheme implemented by the State Government of Selangor from time to time (“Affordable Homes”) on the Development Land and/or such other development to be determined by the Developer in accordance with the Approved Plans including any subsequent variations therefrom or amendments thereto as have been agreed and/or approved by the relevant Government.

The JVA has not been completed as the Conditions Precedent therein have not been fulfilled.

B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 30-Sep-24 RM'000 (Unaudited)
Secured	
Term loans	55,922
Revolving credits	1,109
Trade services	6,879
Lease liabilities	23,860
Total	87,770
 Current	
Term loans	4,890
Revolving credits	1,109
Trade services	6,879
Lease liabilities	11,698
Total	24,576
 Non-current	
Term loans	51,032
Lease liabilities	12,162
Total	63,194

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

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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 Quarter Ended		Period to Date Ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Profit attributable to owners of the parent (RM'000)	16,284	12,299	45,675	36,317
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.75	2.08	7.72	6.14

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-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Profit attributable to owners of the parent (RM'000)	16,284	12,299	45,675	36,317
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.75	2.08	7.72	6.14

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

	Current Quarter Ended 30-Sep-24 RM'000	Current Period To Date Ended 30-Sep-24 RM'000
Interest income	(318)	(748)
Rental income	(104)	(285)
Reversal of impairment losses on receivables	(133)	(262)
Gain on disposal of PPE	(2,779)	(3,780)
Gain on disposal of ROU	(40)	(170)
Impairment losses on receivables	5	9
Depreciation of investment properties	220	661
Depreciation of PPE	1,887	6,026
Depreciation of ROU	3,263	9,433
Finance costs	1,861	5,730
Provision for retirement benefit obligations	683	2,087
Unrealised loss on foreign exchange	2,671	3,133
Realised (gain)/loss on foreign exchange	(73)	22

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 20 November 2024.

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