



MGB BERHAD

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

INTERIM FINANCIAL REPORT 31 MARCH 2025

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	Individual Quarter		Period to Date	
	Current Quarter Ended 31-Mar-25 (Unaudited) RM'000	Preceding Quarter Ended 31-Mar-24 (Unaudited) RM'000	Current Period To Date Ended 31-Mar-25 (Unaudited) RM'000	Preceding Period To Date Ended 31-Mar-24 (Unaudited) RM'000
Note				
Revenue	227,671	217,883	227,671	217,883
Cost of sales	(189,997)	(176,085)	(189,997)	(176,085)
Gross profit	37,674	41,798	37,674	41,798
Interest income	215	210	215	210
Other income	4,330	1,655	4,330	1,655
Operating expenses	(23,525)	(21,784)	(23,525)	(21,784)
Finance costs	(1,677)	(1,592)	(1,677)	(1,592)
Share of profit of associates (net of tax)	28	302	28	302
Profit before tax	17,045	20,589	17,045	20,589
Taxation	(5,014)	(5,476)	(5,014)	(5,476)
Profit after tax for the financial period	12,031	15,113	12,031	15,113
Other comprehensive (loss)/profit for the financial period	(40)	116	(40)	116
Total comprehensive income for the financial period	11,991	15,229	11,991	15,229
Profit for the financial period attributable to:				
Owners of the parent	11,875	14,202	11,875	14,202
Non-controlling interests	156	911	156	911
	12,031	15,113	12,031	15,113
Total comprehensive income for the financial period attributable to:				
Owners of the parent	11,835	14,318	11,835	14,318
Non-controlling interests	156	911	156	911
	11,991	15,229	11,991	15,229
Earnings per share attributable to owners of the parent:				
Basic (Sen)	B10	2.01	2.40	2.01
Diluted (Sen)	B10	2.01	2.40	2.01

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 2024 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 31 MARCH 2025

	Note	31-Mar-25 (Unaudited) RM'000	31-Dec-24 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	84,025	85,380
Right-of-use assets ("ROU")	A9	55,604	59,105
Investment properties		35,792	36,344
Investment in an associate company		759	730
Trade receivables		1,610	1,610
Goodwill on consolidation		254,695	254,695
Deferred tax assets		1,989	2,279
		434,474	440,143
Current Assets			
Inventories and contract costs		61,779	75,947
Contract assets		208,832	176,912
Trade receivables		42,070	48,779
Other receivables		58,101	48,282
Amount due from related companies		220,611	224,146
Amount due from an associate company		11	11
Tax recoverable		7,544	5,740
Fixed deposits with licensed banks		15,122	12,980
Cash held under Housing Development Accounts		3,866	9,195
Cash and bank balances		47,911	78,005
		665,847	679,997
Asset held for sale		4,417	4,417
		670,264	684,414
TOTAL ASSETS		1,104,738	1,124,557

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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 2024 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 31 MARCH 2025 (CONT'D)

	Note	31-Mar-25 (Unaudited) RM'000	31-Dec-24 (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 currency translation reserve		(1,457)	(1,417)
Other reserve		(1,684)	(1,684)
Retained earnings		215,651	212,769
		605,189	602,347
Non-controlling interests		3,317	3,161
Total Equity		608,506	605,508
<u>LIABILITIES</u>			
Non-current Liabilities			
Retirement benefit obligations		4,826	4,069
Loans and borrowings	B7	33,033	43,669
Lease liabilities	B7	8,045	10,145
Deferred tax liabilities		4,392	3,958
		50,296	61,841
Current Liabilities			
Trade payables		235,022	294,874
Contract liabilities		38,009	44,004
Amount due to related companies		3,037	2,822
Other payables		70,593	77,682
Loans and borrowings	B7	85,468	21,063
Lease liabilities	B7	11,196	11,377
Tax payable		2,611	5,386
		445,936	457,208
Total Liabilities		496,232	519,049
TOTAL EQUITY AND LIABILITIES		1,104,738	1,124,557
Net assets per share attributable to owners of the parent (RM)			
		1.02	1.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	<-----Attributable to owners of the parent----->					<-----Non-Distributable----->		
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Foreign Currency Translation 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 2025	388,186	4,493	(1,417)	(1,684)	212,769	602,347	3,161	605,508
Profit for the financial period	-	-	-	-	11,875	11,875	156	12,031
Other comprehensive loss	-	-	(40)	-	-	(40)	-	(40)
Transactions with owners								
Dividends paid	-	-	-	-	(8,993)	(8,993)	-	(8,993)
At 31 March 2025	388,186	4,493	(1,457)	(1,684)	215,651	605,189	3,317	608,506

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025 (CONT'D)

	<-----Attributable to owners of the parent----->					<-----Non-Distributable----->		
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Foreign Currency Translation 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 2024	388,186	4,493	(160)	(1,684)	162,090	552,925	1,589	554,514
Profit for the financial period	-	-	-	-	14,202	14,202	911	15,113
Other comprehensive income	-	-	116	-	-	116	-	116
Transactions with owners								
Dividends paid	-	-	-	-	(4,822)	(4,822)	-	(4,822)
At 31 March 2024	388,186	4,493	(44)	(1,684)	171,470	562,421	2,500	564,921

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 2024 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Current Period Ended 31-Mar-25 (Unaudited) RM'000	Preceding Period Ended 31-Mar-24 (Unaudited) RM'000
Profit before tax	17,045	20,589
Adjustments for:		
Depreciation of		
- PPE	3,033	2,106
- investment properties	220	220
- ROU	2,643	2,927
Finance costs	1,677	1,592
Impairment losses on:		
- trade receivables	-	2
Reversal of impairment losses on:		
- receivables	(448)	(50)
- amount due from related companies	(18)	(9)
Gain on disposal of PPE	-	(26)
Gain on disposal of investment properties	(40)	-
Interest income	(215)	(210)
Share of profit of associates (net of tax)	(28)	(302)
Unrealised (gain)/loss on foreign exchange	(496)	203
Realised loss on foreign exchange	923	-
Provision for retirement benefit obligations	757	709
Operating profit before working capital changes	25,053	27,751
Changes in working capital:		
Inventories and contract costs	14,135	(11,021)
Trade and other receivables	(2,892)	4,466
Trade and other payables	(67,469)	(64,087)
Contract assets and contract liabilities	(37,913)	(40,616)
Amount due from related companies	3,461	68,162
	(90,678)	(43,096)
Cash used in operating activities	(65,625)	(15,345)
Interest paid	(1,590)	(1,533)
Interest received	215	210
Income tax paid	(8,869)	(5,195)
	(10,244)	(6,518)
Net cash used in operating activities	(75,869)	(21,863)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025 (CONT'D)

	Current Period Ended 31-Mar-25 (Unaudited) RM'000	Preceding Period Ended 31-Mar-24 (Unaudited) RM'000
Cash flows generated from/(used in) investing activities		
Purchase of PPE	(120)	(697)
Additions in ROU	(27)	(142)
Proceeds from disposal of PPE	-	26
Proceeds from disposal of investment properties	372	-
Capital work-in-progress incurred	-	(8,019)
Dividends received from an associate	-	300
Net cash generated from/(used in) investing activities	225	(8,532)
Cash flows generated from financing activities		
Drawdown of bank borrowings	80,458	70,411
Net placements of deposits pledged to licensed banks	(2,083)	(4,416)
Net bank balances pledged to licensed banks	-	(85)
Payment of lease liabilities	(2,718)	(4,477)
Repayment of bank borrowings	(23,564)	(8,375)
Dividends paid	(8,993)	(4,822)
Net cash generated from financing activities	43,100	48,236
Net (decrease)/increase in cash and cash equivalents	(32,544)	17,841
Cash and cash equivalents at the beginning of the financial period	84,440	34,953
Effect of exchange rate changes on cash and cash equivalents	63	41
Cash and cash equivalents at the end of the financial period	51,959	52,835
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	47,911	46,090
Cash held under Housing Development Accounts	3,866	16,617
Fixed deposits with licensed banks	15,122	12,189
Bank overdrafts	-	(9,888)
	66,899	65,008
Less: Cash and bank balances pledged with licensed bank	-	(162)
Less: Fixed deposits pledged with licensed banks	(14,940)	(12,011)
	51,959	52,835

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2025

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 2024. 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 2024.

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 2024 except for the adoption of the following:

Amendments to MFRS 121 Lack of Exchangeability

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 dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature- dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 2024 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, and manufacturing of Industrialised Building System ("IBS") precast products.
- (ii) Property development – Development of residential and commercial properties.
- (iii) Others - Investment holding and dormant.

A4. Segmental Information (Cont'd)

31 March 2025 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	192,798	114,161	6,280	313,239
Less: Inter-segment revenue	(79,288)	-	(6,280)	(85,568)
Revenue from external customers	113,510	114,161	-	227,671
Results				
Interest income	193	20	2	215
Finance costs	(1,175)	(211)	(291)	(1,677)
Depreciation	(5,770)	(125)	(1)	(5,896)
Share of profit of associates (net of tax)	28	-	-	28
Segment (loss)/profit before tax	(2,114)	20,009	(850)	17,045
Taxation				(5,014)
Profit after tax				12,031
Other non-cash items				
Gain on disposal of investment properties	(40)	-	-	(40)
Reversal impairment losses on receivables (net)	(314)	-	-	(314)
Provision for retirement benefit obligations	757	-	-	757
Unrealised gain on foreign exchange	(496)	-	-	(496)
Realised loss on foreign exchange	923	-	-	923
Assets				
Additions to non-current assets	1,056	-	-	1,056
Segment assets	542,138	306,154	256,446	1,104,738
Liabilities				
Segment liabilities	420,801	51,132	24,299	496,232

A4. Segmental Information (Cont'd)

31 March 2024 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	229,490	87,585	16,074	333,149
Less: Inter-segment revenue	(99,192)	-	(16,074)	(115,266)
Revenue from external customers	130,298	87,585	-	217,883
Results				
Interest income	172	34	4	210
Finance costs	(1,129)	(237)	(226)	(1,592)
Depreciation	(5,123)	(124)	(6)	(5,253)
Share of profit of associates (net of tax)	302	-	-	302
Segment profit/(loss) before tax	5,535	15,450	(396)	20,589
Taxation				(5,476)
Profit after tax				15,113
Other non-cash items				
Gain on disposal of PPE	(26)	-	-	(26)
Impairment losses on receivables (net)	(57)	-	-	(57)
Provision for retirement benefit obligations	709	-	-	709
Unrealised loss on foreign exchange	203	-	-	203
Assets				
Additions to non-current assets	3,400	-	-	3,400
Segment assets	620,468	260,465	255,284	1,136,217
Liabilities				
Segment liabilities	498,323	48,029	24,944	571,296

A4. Segmental Information (Cont'd)

Segmental Performance (financial period ended 31 March 2025 against financial period ended 31 March 2024)

Construction and Trading

In the current financial period, revenue from the construction and trading segment decreased by RM16.79 million, reduce from RM130.30 million in the corresponding period of the preceding year to RM113.51 million. Revenue reduced mainly due to the project Kita Sejati nearing complete with minimal progress.

Concurrently, segment's Profit Before Tax ("PBT") reduced and become Loss Before Tax ("LBT") to RM2.11 million for the current financial period. The reduced mainly due to the increased in administrative expenses and cost incurred in oversea subsidiary.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally amounted RM8.56 million and oversea sales of RM2.26 million.

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 RM26.58 million, rising from RM87.58 million in the corresponding period of the preceding year to RM114.16 million. Additionally, the segment's Profit Before Tax ("PBT") for the current period showed remarkable improvement, reaching RM20.01 million, compared to RM15.45 million in the same period of the previous year. The growth was mainly contributed by the increase in progress development for the ongoing development projects Idaman Cahaya Phase 2 and Idaman Sari.

Others

Loss Before Tax ("LBT") of other segment increased by RM0.45 million from RM0.40 million in corresponding period of the preceding year to RM0.85 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 2024:	
- First interim single-tier dividend of RM0.0152 per ordinary share, paid on 28 March 2025	8,993
Total dividends paid as at 31 March 2025	<u>8,993</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 period.

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A11. Changes in Composition of the Group

- (a) On 23 January 2025, MGB International for Industry ("MII"), a wholly-owned subsidiary of MGB Construction Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, had subscribed 50,000 ordinary shares of SAR10 for each share, representing 50% equity interest in MGB Alameriah Contracting Company ("MALCC"), a Limited Liability Company incorporated in the Kingdom of Saudi Arabia, for a total cash consideration of SAR500,000 (approximately RM595,000.00) only. MALCC is a Joint Venture Company with Alameriah Real Estate Development, which holds 50,000 ordinary shares representing 50% equity interest in MALCC. Following this transaction, MALCC became a joint venture of the Company.
- (b) On 16 February 2025, 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 412,500 to 1,362,500 ordinary shares of SAR10 each share. MCSB has subscribed for an additional 950,000 ordinary shares of SAR10 each share in MII for a total value consideration of SAR9,500,000 (approximately RM11,305,000.00) only by way of capitalisation of amount due from MII.

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-Mar-25 RM'000	As at 31-Mar-24 RM'000
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1,091

11,420

A13. Subsequent Events

There were no subsequent events as at 20 May 2025, 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-Mar-25	As at 31-Mar-24
	RM'000	RM'000
Bank guarantees issued for:		
- Property Development	13,209	13,250

(b) Contingent Assets

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

A15. Significant Related Party Transactions

The transactions with companies in which certain Directors are common directors and/or have interest or deemed interest for the current financial period were summarised as follows:

	As at 31-Mar-25	As at 31-Mar-24
	RM'000	RM'000
Income		
Progress billing issued	104,397	124,725
Expenses		
Dividends paid	6,533	3,583
Rental expenses paid/payable	48	51
Management fee paid/payable	95	95

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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	Preceding	Variance		Current Period	Preceding	Variance	
	Quarter	Quarter			To Date	Period To Date		
	Ended	Ended			Ended	Ended		
	31-Mar-25	31-Mar-24	RM'000	%	31-Mar-25	31-Mar-24	RM'000	%
Revenue	227,671	217,883	9,788	4.49%	227,671	217,883	9,788	4.49%
Profit before tax ("PBT")	17,045	20,589	(3,544)	-17.21%	17,045	20,589	(3,544)	-17.21%
Profit after tax ("PAT")	12,031	15,113	(3,082)	-20.39%	12,031	15,113	(3,082)	-20.39%

Individual Quarter and Period to Date

The Group achieved revenue of RM227.67 million in current quarter which representing RM9.79 million or 4.49% higher as compared to the corresponding quarter of the preceding year.

In current financial period, the Group's PBT & PAT decreased by RM3.54 million & RM3.08 million. Mainly due to the increased in administrative expenses and cost incurred in oversea subsidiary.

The Group's total assets and total liabilities stood at RM1.10 billion and RM496.23 million respectively as at 31 March 2025. Assets of approximately RM542.14 million or 49.07% and liabilities of RM420.80 million or 84.80% were from the construction and trading segment.

B2. Variation of Results Against Immediate Preceding Quarter

	Current	Immediate	Variance	
	Quarter	Preceding		
	Ended	Quarter		
	31-Mar-25	31-Dec-24	RM'000	%
Revenue	227,671	256,844	(29,173)	-11.36%
Profit before tax ("PBT")	17,045	23,196	(6,151)	-26.52%
Profit after tax ("PAT")	12,031	14,479	(2,448)	-16.91%

The Group's revenue witnessed a quarter-over-quarter decreased of RM29.17 million or 11.36% when compared to the immediate preceding quarter ended 31 December 2024. The reduced mainly due to the completed project on preceding quarter namely Idaman BSP and project Prestige nearing complete with minimal progress from construction segment for the quarter under review.

B3. Prospects for the Year

The Group remains committed to the construction of affordable homes and industrial developments. To enhance operational efficiency and strengthen its competitiveness, the Group will intensify the implementation of technological advancements as well as driving a comprehensive digitalisation of its processes.

Through the innovative and continued utilisation of industrialised building systems (“IBS”), MGB is confident of further reducing construction timelines at worksites, overhead costs and enhance quality using pre-fabricated concrete products manufactured in its controlled factories. To further optimise its construction sector’s performance, VadTech methodology will be utilised for operational optimisations, wherever feasible. This approach will allow MGB to control construction costs and further boost turnaround effectiveness, without compromising on its quality standards.

The combination of IBS and VadTech value-driven solutions enables MGB to strengthen its position as a leader in innovative and sustainable construction, supporting its mission to deliver high-quality affordable housing across Malaysia, directly contributing to the state government of Selangor’s goal of constructing 30,000 affordable homes by 2025.

On the international front, MGB International for Industry (“MGBI”), a wholly owned subsidiary of MGB based in the Kingdom of Saudi Arabia (“KSA”), entered into a joint venture agreement with SANY Alameriah Industrial in 2023. This joint venture marks a strategic entry into the KSA market. MGBI has since secured significant contracts for the supply and installation of precast elements for a development in Jeddah, KSA on 7 February 2024 and 10 March 2025. Valued at over RM207 million, the contracts encompass approximately 726 residential units using precast concrete products. These contract wins are in line with KSA’s Vision 2030, which aims to increase the homeownership rate to 70% by 2030, necessitating the construction of approximately 115,000 new homes annually. MGB’s growing presence and capabilities in the region position the Group well to support and contribute to this national agenda.

Backed by the construction segment’s existing order book of approximately RM1.20 billion and unbilled sales of RM0.60 billion from ongoing property development projects, the Group is optimistic of satisfactory performance in 2025.

B4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued by the Group to the public.

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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 31-Mar-25 RM'000	Current Period to Date 31-Mar-25 RM'000
Income Tax:		
- Current year	4,290	4,290
Deferred Tax:		
- Current year	724	724
Total Taxation	<u>5,014</u>	<u>5,014</u>

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 been terminated on 25 March 2025 due to both parties were unable to reach an agreement on the final terms and conditions to be included in the Definitive Contract.

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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 SA therein has 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 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.

- (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 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.

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B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 31-Mar-25 RM'000 (Unaudited)
Secured	
Term loans	53,451
Revolving credits	43,500
Trade services	21,550
Lease liabilities	19,241
Total	137,742
Current	
Term loans	20,418
Revolving credits	43,500
Trade services	21,550
Lease liabilities	11,196
Total	96,664
Non-current	
Term loans	33,033
Lease liabilities	8,045
Total	41,078

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

In respect of the previous financial year ended 31 December 2024:

On 18 February 2025, the Company has declared first interim single-tier dividend of RM0.0152 per ordinary share, which has been paid on 28 March 2025 to depositors registered in the Record of Depositors on 10 March 2025.

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	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Profit attributable to owners of the parent (RM'000)	11,875	14,202	11,875	14,202
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.01	2.40	2.01	2.40

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	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Profit attributable to owners of the parent (RM'000)	11,875	14,202	11,875	14,202
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.01	2.40	2.01	2.40

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

	Current Quarter Ended 31-Mar-25 RM'000	Current Period To Date Ended 31-Mar-25 RM'000
Interest income	(215)	(215)
Rental income	(122)	(122)
Reversal of impairment losses on receivables	(466)	(466)
Gain on disposal of investment properties	(40)	(40)
Depreciation of investment properties	220	220
Depreciation of PPE	3,033	3,033
Depreciation of ROU	2,643	2,643
Finance costs	1,677	1,677
Provision for retirement benefit obligations	757	757
Unrealised gain on foreign exchange	(496)	(496)
Realised loss on foreign exchange	923	923

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 27 May 2025.

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