

Registration No.: 202001038774 (1395095-M)

Interim Financial Report
For the Quarter and Year-to-date Ended
31 December 2021



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021⁽¹⁾

		QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.12.2021 31.12.2020 ⁽²⁾		31.12.2021	31.12.2020 ⁽²⁾
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	A9	26,074	N/A	49,766	N/A
Cost of sales		(19,575)	N/A	(37,392)	N/A
Gross profit ("GP")		6,499	N/A	12,374	N/A
Other income		455	N/A	676	N/A
Administrative expenses		(1,604)	N/A	(4,164)	N/A
Net impairment losses on financial assets and contract assets		(800)	N/A	(800)	N/A
Other expenses		(574)	N/A	(1,598)	N/A
Profit from Operations		3,976	N/A	6,488	N/A
Finance costs		(90)	N/A	(167)	N/A
Profit before tax ("PBT")	B12	3,886	N/A	6,321	N/A
Taxation	В6	(1,378)	N/A	(1,541)	N/A
Profit after tax/Total comprehensive income ("PAT")		2,508	N/A	4,780	N/A
Profit after tax/Total comprehensiv	e income	attributable to) :		
 Owners of the Company 		2,508	N/A	4,780	N/A
 Non-controlling interests 		-	N/A	-	N/A
		2,508	N/A	4,780	N/A
Earnings per share attributable to c	wners of	the Company			
• Basic (sen) ⁽³⁾	B11	0.77	N/A	1.46	N/A
• Diluted (sen) ⁽⁴⁾	B11	0.61	N/A	1.17	N/A

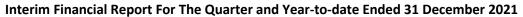
Notes:

N/A - Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 21 March 2022 included in the prospectus of MN Holdings Berhad ("MN" or "Company") dated 8 April 2022 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share is calculated based on the enlarged share capital of 327,000,000 shares in issue before IPO.
- (4) Diluted earnings per share of the Company for the quarter and year-to-date ended 31 December 2021 is calculated based on assumed number of shares in issue pursuant to the completion of the initial public offering ("IPO"), which is 408,750,000 shares as disclosed in Note A11. There are no dilutive instruments at the end of 31 December 2021.

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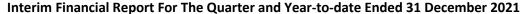




UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021(1)

	UNAUDITED	AUDITED	
	As at	As at	
	31.12.2021	30.6.2021	
	RM'000	RM'000	
ASSETS			
Non-current assets			
Property, plant and equipment	2,038	2,141	
Right-of-use assets	4,596	5,408	
Investment properties	620	627	
Deferred tax assets	1,941	1,712	
Total non-current assets	9,195	9,888	
Current Assets			
Trade and other receivables	33,908	38,369	
Contract assets	52,900	49,063	
Current tax assets	-	202	
Cash and cash equivalents	8,736	11,258	
Total current assets	95,544	98,892	
TOTAL ASSETS	104,739	108,780	
EQUITY AND LIABILITIES			
Equity			
Share capital	1,750	1,750	
Retained earnings	42,278	37,498	
Total equity attributable to owners of the Group	44,028	39,248	
Liabilities			
Non-current liabilities			
Lease liabilities	1,405	1,893	
Loans and borrowings	2,055	2,256	
Total non-current liabilities	3,460	4,149	
Current liabilities			
Trade and other payables	36,095	43,573	
Contract liabilities	14,396	12,380	
Loans and borrowings	2,370	4,897	
Lease liabilities	1,811	2,255	
Current tax liabilities	2,579	2,278	
Total current liabilities	57,251	65,383	
TOTAL LIABILITIES	60,711	69,532	
TOTAL EQUITY AND LIABILITIES	104,739	108,780	
Number of shares in issue ('000) before Public Issue ⁽²⁾	327,000	327,000	
NET ASSETS PER SHARE (RM) (2)	0.13	0.12	
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 21 March 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's share capital of 327,000,000 ordinary shares after issuance of shares to the acquisition of Mutu Nusantara Sdn Bhd ("MNSB") and MN Power Transmission Sdn Bhd ("MPTSB"), referred to Note A7 below.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021(1)(2)

	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 July 2021 (Audited)	1,750	37,498	39,248
Profit after tax/Total comprehensive income	-	4,780	4,780
As at 31 December 2021 (Unaudited)	1,750	42,278	44,028

Notes:

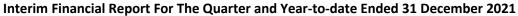
- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 21 March 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021⁽¹⁾

	YEAR-TO-DATE ENDED	
	31.12.2021	31.12.2020 ⁽²⁾
	RM'000	RM'000
Cash Flows From Operating Activities	C 224	21/2
Profit before tax	6,321	N/A
Adjustments for:	200	N1 / A
Net impairment losses on financial assets and contract assets	800	N/A
Depreciation of property, plant and equipment	974	N/A
Depreciation of right-of-use assets	601	N/A
Depreciation of investment properties	7	N/A
Finance income	(19)	N/A
Finance costs	167	N/A
Operating profit before working capital changes	8,851	N/A
Changes in working capital		
Change in trade and other receivables and prepayments	3,751	N/A
Change in trade and other payables	(7,478)	N/A
Change in contract assets	(3,927)	N/A
Change in contract liabilities	2,016	N/A
Cash from operations	3,213	N/A
Income tax paid	(1,267)	N/A
Interest paid	(167)	N/A
Net cash from operating activities	1,779	N/A
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(389)	N/A
Interest income received	19	N/A
Net cash used in investing activities	(370)	N/A
Cash Flows From Financing Activities		
Change in deposits pledged	(204)	N/A
Net repayment of loans and borrowings	(2,728)	N/A
Payment of lease liabilities	(1,203)	N/A
Net cash used in financing activities	(4,135)	N/A
Net decrease in cash and cash equivalents	(2,726)	N/A
Cash and cash equivalents at the beginning of the financial	2.252	.
period	8,353	N/A
Cash and cash equivalents at the end of the financial period	5,627	N/A

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021⁽¹⁾ (CONT'D)

	YEAR-TO-DAT	E ENDED
	31.12.2021	31.12.2020 ⁽²⁾
	RM'000	RM'000
Cash and cash equivalents at the end of the financial		
period comprises:		
Fixed deposits with licensed banks	3,109	N/A
Less: Pledged deposits	(3,109)	N/A
	-	N/A
Cash and bank balances	5,627	N/A
	5,627	N/A
Cash and cash equivalents in the consolidated		
statement of cash flows	5,627	N/A

Notes:

N/A - Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 22 March 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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Interim Financial Report For The Quarter and Year-to-date Ended 31 December 2021



Effective dates for

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of MN Holdings Berhad ("MN" or "the Company") and its subsidiaries ("the Group") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Rule 9.22 of ACE Listing Requirements.

This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the quarter and year-to-date ended 31 December 2021 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report dated 21 March 2022 as disclosed in the Prospectus dated 8 April 2022 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants' Report dated 21 March 2022 included in the Prospectus of the Company dated 8 April 2022.

		financial periods beginning on or after
		4.1
•	Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
•	Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
•	Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a	1 January 2022
	Contract	
•	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022



Effective dates for

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

		financial periods
		beginning on or after
•	MFRS 17 Insurance Contracts	1 January 2023
•	Amendments to MFRS 17 Insurance Contracts	1 January 2023
•	Amendments to MFRS 101: Classification of Liabilities as Current or	1 January 2023
	Non-current	
•	Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
•	Amendments to MFRS 108: Definition of Accounting Estimate	1 January 2023
•	Amendments to MFRS 112: Deferred Tax related to Assets and	1 January 2023
	Liabilities arising from a Single Transaction	
•	Amendments to MFRS 10 and MFRS 128: Sale or Contribution of	Deferred until
	Assets between an Investor and its Associate or Joint Venture	further notice

A3. Auditors' report on preceding annual financial statements

MN was incorporated under the Companies Act, 2016 on 26 November 2020 as a public limited company. The Company completed the acquisition of its subsidiaries, Mutu Nusantara Sdn Bhd ("MNSB") and MN Power Transmission Sdn Bhd ("MPTSB") on 26 January 2022.

There was no auditors' report on the Group for preceding annual financial statements. However, the auditors' report for the financial year ended 30 June 2021 of the Company, MNSB and MPTSB were not subject to any qualification. The preceding audited financial statement are prepared based on combination or aggregation of all of the audited financial statements of respective companies of the Group.

A4. Seasonal or cyclical factors

The business operations of the Group were not materiality affected by seasonal and cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A6. Material changes in estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial guarter under review.



A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current financial guarter under review.

On 26 January 2022, the Company had completed the acquisition of the entire issued share capital in the following companies:

- (a) Acquisition of the entire equity interest in MNSB comprising 1,000,000 ordinary shares for a purchase consideration of RM25,969,999.80, satisfied by the issuance of 259,699,998 ordinary shares of the Company at an issue price of RM0.10 per share; and
- (b) Acquisition of the entire equity interest in MPTSB comprising 750,000 ordinary shares for a purchase consideration of RM6,730,000, satisfied by the issuance of 67,300,000 ordinary shares of the Company at an issue price of RM0.10 per share.

On 8 April 2022, MN issued its prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company has undertaken an IPO comprising:-

- (i) Public issue of 81,750,000 new ordinary shares in the Company at an issue price of RM0.21 per share ("IPO Price") allocated in the following manner:-
 - 20,437,600 new shares available for application by the Malaysian Public;
 - 8,175,000new shares available for application by the eligible directors and employees who have contributed to the success of our Group;
 - 2,043,600 new shares by way of private placement to selected investors; and
 - 51,093,800 new shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia.

and

(ii) Offer for sale of 40,875,000 existing shares by way of private placement to selected investors at the IPO Price.

A8. Dividend

The Company does not have any formal dividend policy. No dividend has been declared or recommended for payment by the Board of Directors of the Company during the financial period under review.



A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segmental information

No geographical segment information is presented as the Group's revenue and profit or loss are confined within Malaysia.

The Group's product and services segment information for the quarter and year-to-date ended 31 December 2021 is as follows:

Analysis of revenue by business segments

		QUARTER ENDED		YEAR-TO-DA	ATE ENDED
		31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000	31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000
Underground engineering	utilities	21,027	N/A	38,366	N/A
Substation engineering		5,047	N/A	11,400	N/A
Total	_	26,074	N/A	49,766	N/A

Analysis of revenue by customers' industry

	QUARTE	R ENDED	YEAR-TO-DATE ENDED	
	31.12.2021	31.12.2021 31.12.2020 ⁽¹⁾		31.12.2020 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Power	25,732	N/A	49,284	N/A
Gas	342		744	
Sewerage ⁽²⁾	-	N/A	(262)	N/A
Total	26,074	N/A	49,766	N/A

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Following the variation of contract sum of 2 contracts as a result of project scope revision as agreed with customers, a re-measurement of the work performed was carried out subsequent to the variation of contracts sum where excess portion of revenue recognised previously was reversed out.

N/A – Not applicable

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.



A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A11. Material events subsequent to the end of the current financial quarter

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

- (i) Public issue of 81,750,000 new ordinary shares in the Company at an issue price of RM0.21 per share ("IPO Price") allocated in the following manner:-
 - 20,437,600 new shares available for application by the Malaysian Public;
 - 8,175,000 new shares available for application by the eligible directors and employees of our Group;
 - 2,043,600 new shares by way of private placement to selected investors; and
 - 51,093,800 new shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia.

and

(ii) Offer for sale of 40,875,000 existing shares by way of private placement to selected investors at the IPO Price.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital comprising 408,750,000 shares shall be listed and quoted on the ACE Market of Bursa Securities.

A12. Changes in the composition of the Group

Save as disclosed in A7, there were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

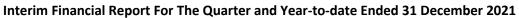
Save as contingent liabilities disclosed below, there were no contingent assets as at the date of this interim report:

	YEAR-TO-DA	ATE ENDED
	31.12.2021	31.12.2020 ⁽¹⁾
	RM'000	RM'000
Performance guarantee extended to third parties	4,042	3,811

A14. Capital commitments

There were no material commitments during the current financial quarter under review.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A15. Related party transactions

Save as disclosed below, there were no other related party transactions during the financial quarter under review:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000	31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000
Rental paid or payable to a director	19	N/A	37	N/A



A. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

(a) Results for current quarter

The Group recorded revenue of RM26.07 million for the current financial quarter ended 31 December 2021.

The Group's revenue was principally derived from the underground utilities engineering segment, contributing approximately 80.64% of the total revenue for the current financial quarter ended 31 December 2021.

The Group registered a PBT and PAT of RM3.89 million and RM2.51 million, respectively, in the current financial quarter under review.

(b) Results for financial year-to-date

The Group recorded revenue of RM49.77 million for the year-to-date financial ended 31 December 2021.

The Group's revenue was principally derived from the underground utilities engineering segment, contributing approximately 77.09% of the total revenue for the year-to-date financial ended 31 December 2021.

The Group registered a PBT and PAT of RM6.32 million and RM4.78 million, respectively, in the year-to-date ended 31 December 2021.

There are no comparative figures for the preceding year as this is the first interim financial report being announced by the Group in compliance with the Listing Requirements.

B2. Comparison with immediate preceding quarter's results

There are no comparative figures for the preceding quarter as this is the first interim financial report for the quarter and year-to-date ended 31 December 2021.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. Prospects and outlook

As disclosed in the Prospectus dated 8 April 2022, the outlook for the industry remains positive, in light of the economic growth as well as investments in utilities infrastructure in Malaysia which are driven by the following:-

- (i) The power utilities infrastructure market in Malaysia, based on the capital expenditure incurred for recurring electricity generation, transmission and distribution, rose from RM5.74 billion in 2016 to RM10.30 billion in 2021 at a CAGR of 12.40%;
- (ii) The power utilities infrastructure market in Peninsular Malaysia and Sabah, based on the capital expenditure incurred for recurring electricity generation, transmission and distribution, rose from RM5.44 billion in 2016 to RM7.30 billion in 2021 at a CAGR of 6.10%;
- (iii) Between 2022 and 2024, an estimated of RM20.0 billion will be allocated in capital expenditure for recurring electricity generation, transmission and distribution in Peninsular Malaysia and Sabah;
- (iv) Malaysia recorded a total of RM306.5 billion worth of approved foreign and domestic investments in the manufacturing, services and primary sector in 2021 across 4,564 projects, which such investments are important contributors for the country's economic growth. As such, investment in infrastructure and properties are crucial to support the investment prospect of Malaysia; and
- (v) Malaysia renewable energy generation targets create opportunities for investment in power utility infrastructure.

The Group expect a steady growth inline with the above mentioned factors.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Status of corporate proposals

Save as disclosed in A11, there were no corporate proposals announced but not completed as at the date of this interim report.



Estimated

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6. Income tax expenses

	3-MON	TH ENDED	YEAR-TO-DATE	
	31.12.2021	31.12.2021 31.12.2020 ⁽¹⁾ 31.1		31.12.2020 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,607	N/A	1,770	N/A
Deferred tax expense	(229)	N/A	(229)	N/A
Total tax expense	1,378	N/A	1,541	N/A
Effective tax rate (%)	35.46	N/A	24.38	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Income tax expense is recognised based on management's best estimate.

B7. Utilisation of proceeds from the IPO

Based on the IPO Price, the gross proceeds arising from the Public issue amounting to RM17.17 million is intended to be utilised in the following manner:-

Details of utilisation	Proposed utilisation	Actual utilisation	timeframe for utilisation upon listing
	RM'000	RM'000	
Purchase of machinery and equipment	5,840	N/A	Within 24 months
Repayment of bank borrowings	3,995	N/A	Within 12 months
General working capital	4,333	N/A	Within 24 months
Estimated listing expenses	3,000	N/A	Within 1 months
	17,168	N/A	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 8 April 2022.

Note:

N/A – Not applicable



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8. Bank borrowings

The Group's bank borrowings were as follows:

	UNAUDITED	AUDITED	
	As at 31.12.2021	As at 30.6.2021	
	RM'000	RM'000	
Current:			
Lease liabilities	1,811	2,255	
Term loans	500	763	
Banker acceptances	1,870	2,490	
Trust receipts		1,644	
	4,181	7,152	
Non-current:			
Lease liabilities	1,405	1,893	
Term loans	2,055	2,256	
	3,460	4,149	
Total bank borrowings	7,641	11,301	

All the Group's borrowings are secured and denominated in Ringgit Malaysia.

B9. Material litigation

Save as disclosed below, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at LPD.

(i) Malacca Sessions Court Suit No. MA-B52NCVC-21-09/2119): MNSB v. Montane Construction Sdn Bhd ("Montane")

MNSB had on 17 September 2019 commenced a legal suit against Montane. On 11 February 2020, the sessions court had allowed MNSB's summary judgement application against Montane ("Judgement") for the sum of RM964,422.29 being the outstanding payment owing to MNSB for work done by MNSB for Montane, together with interest of 5% calculated from 17 September 2019 until full settlement and cost of RM3,000.00 ("Judgement Sum"). An impairment of RM628,383.79 and RM336,038.50 have been provided for the outstanding payment owing to MNSB in FYE 2018 and FYE 2019, respectively. No application for appeal was submitted by Montane.

Following a winding up petition filed by one of its creditors, Montane was wound up pursuant to a Court Order dated 4 March 2021. We have filed a proof of debt to the Official Receiver as a creditor and presently, a private liquidator for Montane is in the midst of being appointed.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9. Material litigation (Cont'd)

(ii) Letter dated 8 December 2020 issued by Telekom Malaysia Berhad ("Telekom") to MNSB

MNSB has received a letter dated 8 December 2020 from Telekom notifying that a police report has been lodged for damage caused to Telekom's optic cables and PVC ductway in Proton City, Perak, as a result of MNSB's drilling activities on 2 November 2020. Presently, MNSB is in talks with Telekom to provide rectification works. As at the LPD, no further legal action has been taken by Telekom against MNSB and ongoing communication is taking place to address the issue. The expected costs to be incurred for the rectification works are estimated to be RM0.12 million. No provision has been made for the expected costs to be incurred.

(iii) Bandar Baru Bangi Sessions Court (Suit No. BI-A52NCvC-16-05/2021): Telekom v. MNSB

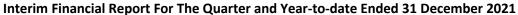
On 20 May 2021, MNSB had been served with a writ summons and statement of claim from Telekom, claiming for RM178,942.55 for failing to rectify the damage caused by MNSB's drilling activities to underground pipes and cables owned by Telekom near Pejabat Daerah Hulu Langat in Bangi, Selangor. The parties have subsequently reached a settlement with MNSB agreed to pay the sum of RM178,942.55 ("Settlement Sum") as full and final settlement and this suit has been withdrawn by Telekom on 16 July 2021. The Settlement Sum shall be settled by way of 9 instalment payments for a period of 9 months starting from June 2021 to February 2022 via post-dated cheques, which have all been delivered to Telekom. The Settlement Sum has been fully recognised in FPE 2022 (RM20,000.00 in FYE 2021; and RM158,942.55 in FPE 2022). Our Board is of the view that the Settlement Sum did not have a material impact to our Group.

(iv) Malacca Magistrate's Court Suit No. MA-A73KJ-108-01/2022: Ong Kuang Lim v Md Amir Hossain & MNSB

On 4 February 2022, MNSB (as the second defendant) had received a writ and statement of claim from the Ong Kuang Lim's (plaintiff) solicitors claiming that Md Amir Hossain (first defendant) had caused a road accident while driving a forklift which injured the plaintiff. The basis of the plaintiff's claim against MNSB as the second defendant is, inter alia, that MNSB as the employer of the first defendant should be held vicariously liable for the road accident caused by the first defendant.

The reliefs sought by the plaintiff are for special damages, as well as general damages to be assessed by Court and as such, at this juncture, the aggregate quantum of damages sought by the plaintiff cannot be quantified. In any event, the lawyers handling this case has expressed their views in writing that the maximum exposure of liability of MNSB will be in the region of RM25,000 to RM30,000, based on the letter of demand issued by the plaintiff's solicitors on 5 February 2021 demanding for a sum of RM25,000 and 10% percent of the sum as costs.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9. Material litigation (Cont'd)

(iv) Malacca Magistrate's Court Suit No. MA-A73KJ-108-01/2022: Ong Kuang Lim v Md Amir Hossain & MNSB (Cont'd)

The claim against MNSB as the second defendant is rooted on the premise that the first defendant was performing his duties as an employee at the time of the accident and as such, MNSB as his employer should be held vicariously liable for the actions of the first defendant. However, MNSB confirms that the first defendant was not under the employment of MNSB at the material time and on that basis, based on the legal opinion from the lawyers handling the case, they are of the opinion that since the first defendant was not under the employment of MNSB, MNSB has a good chance of defending against the plaintiff's claim.

MNSB has filed the statement of defence on 21 March 2022 and the matter has been fixed for trial on 20 June 2022. On 5 April 2022, the plaintiff and MNSB as the second defendant have reached an agreement with MNSB to pay the sum of RM18,000 as full and final settlement and this suit against the first Defendant has been withdrawn by the plaintiff with liberty to file afresh on the same date.

B10. Dividend

The Company does not have any formal dividend policy. No dividend has been declared or recommended for payment by the Board of Directors of the Company during the financial period under review.



B11. Earnings per share

The basic and diluted earnings per share ("EPS") for the current financial quarter and financial year-to-date are computed as follows:

	3-MONTH ENDED		YEAR-TO-DATE ENDED	
	31.12.2021	31.12.2020 ⁽¹⁾	31.12.2021	31.12.2020 ⁽¹
Profit attributable to ordinary owners of the Company (RM'000)	2,508	N/A	4,780	N/A
Number of ordinary shares ('000)	327,000	N/A	327,000	N/A
Diluted number of ordinary shares ('000)	408,750	N/A	408,750	N/A
Basic EPS (sen) ⁽²⁾	0.77	N/A	1.46	N/A
Diluted EPS (sen) ⁽³⁾	0.61	N/A	1.17	N/A

Notes:

N/A – Not applicable

- (1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic earnings per share is calculated based on the enlarged share capital of 327,000,000 shares in issue before IPO.
- (3) Diluted earnings per share of the Company for the individual quarter ended 31 December 2021 and year-to-date ended 31 December 2021 is calculated based on the enlarged number of Shares in issue pursuant to the completion of the IPO, which is 408,750,000 shares as disclosed in Note A11. There are no dilutive instruments at the end of 31 December 2021.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12. Disclosure on selected expense/income items as required by the Listing Requirements

Profit before tax is arrived after charging/(crediting):

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000	31.12.2021 RM'000	31.12.2020 ⁽¹⁾ RM'000
Depreciation of property, plant and equipment	292	N/A	974	N/A
Depreciation of investment properties	4	N/A	7	N/A
Depreciation of right-of-use assets	323	N/A	601	N/A
Interest expense	90	N/A	167	N/A
Net impairment losses on financial assets and contract assets	800	N/A	800	N/A
Interest income	(8)	N/A	(19)	N/A
Rental income	(74)	N/A	(80)	N/A

Note:

N/A – Not applicable

(1) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD

MN HOLDINGS BERHAD

26 April 2022