



# **MN HOLDINGS BERHAD**

*Registration No.: 202001038774 (1395095-M)*

**Interim Financial Report  
For the Quarter and Year-to-date Ended  
30 September 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		30.9.2022	30.9.2021 <sup>(2)</sup>	30.9.2022	30.9.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	27,059	N/A	27,059	N/A
Cost of sales		(21,775)	N/A	(21,775)	N/A
<b>Gross profit ("GP")</b>		<b>5,284</b>	<b>N/A</b>	<b>5,284</b>	<b>N/A</b>
Other income		97	N/A	97	N/A
Administrative expenses		(2,340)	N/A	(2,340)	N/A
Net impairment losses on financial assets and contract assets		(542)	N/A	(542)	N/A
Other expenses		(763)	N/A	(763)	N/A
<b>Profit from operations</b>		<b>1,734</b>	<b>N/A</b>	<b>1,734</b>	<b>N/A</b>
Finance costs		(105)	N/A	(105)	N/A
<b>Profit before tax ("PBT")</b>	B12	<b>1,629</b>	<b>N/A</b>	<b>1,629</b>	<b>N/A</b>
Income tax expense	B6	(434)	N/A	(434)	N/A
<b>Profit after tax/Total comprehensive income ("PAT")</b>		<b>1,195</b>	<b>N/A</b>	<b>1,195</b>	<b>N/A</b>
<b>Profit after tax/Total comprehensive income attributable to:</b>					
• Owners of the Company		1,195	N/A	1,195	N/A
• Non-controlling interests		-	N/A	-	N/A
		<u>1,195</u>	<u>N/A</u>	<u>1,195</u>	<u>N/A</u>
<b>Earnings per share attributable to owners of the Company</b>					
• Basic/Diluted (sen) <sup>(4)</sup>	B11	<u>0.29</u>	<u>N/A</u>	<u>0.29</u>	<u>N/A</u>

**Notes:**

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth 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 as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share for the current financial quarter and financial year-to-date ended 30 September 2022 is calculated based on the Company's share capital of 408,750,000 shares in issue after the Company listed on the ACE market of Bursa Securities on 28 April 2022.
- (4) Diluted earnings per share of the Company for the current financial quarter and financial year-to-date ended 30 September 2022 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period/years

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	UNAUDITED	AUDITED
	As at	As at
	30.9.2022	30.6.2022
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,318	5,631
Right-of-use assets	856	1,072
Investment properties	609	612
Deferred tax assets	2,401	2,271
<b>Total non-current assets</b>	<b>9,184</b>	<b>9,586</b>
<b>Current Assets</b>		
Trade and other receivables	27,940	34,053
Contract assets	61,903	55,681
Short-term investment	6,004	-
Current tax assets	-	142
Cash and cash equivalents	13,136	18,901
<b>Total current assets</b>	<b>108,983</b>	<b>108,777</b>
<b>TOTAL ASSETS</b>	<b>118,167</b>	<b>118,363</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	49,352	49,352
Merger deficit	(30,950)	(30,950)
Retained profits	44,221	43,026
<b>Total equity attributable to owners of the Group</b>	<b>62,623</b>	<b>61,428</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	1,153	2,023
Loans and borrowings	1,726	1,846
<b>Total non-current liabilities</b>	<b>2,879</b>	<b>3,869</b>
<b>Current liabilities</b>		
Trade and other payables	39,081	38,936
Contract liabilities	7,823	8,371
Loans and borrowings	3,849	2,725
Lease liabilities	1,094	1,399
Current tax liabilities	818	1,635
<b>Total current liabilities</b>	<b>52,665</b>	<b>53,066</b>
<b>TOTAL LIABILITIES</b>	<b>55,544</b>	<b>56,935</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>118,167</b>	<b>118,363</b>
<b>Number of shares in issue ('000) after Public Issue<sup>(2)</sup></b>	<b>408,750</b>	<b>408,750</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>	<b>0.15</b>	<b>0.15</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup> (CONT'D)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 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 408,750,000 shares (30 June 2022: 408,750,000 shares) in issue as at 30 September 2022.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)(2)</sup>

	Share Capital RM'000	Invested Equity RM'000	Merger Equity RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>As at 1 July 2021 (Audited)</b>	-	1,750	-	37,498	39,248
Profit after tax/Total comprehensive income	-			5,528	5,528
Transaction with owners:					
- Issuance of shares pursuant to acquisition of subsidiary companies	32,700	(1,750)	(30,950)	-	-
- Issuance of shares	17,167	-	-	-	17,167
- Listing expenses	(515)	-	-	-	(515)
	<b>49,352</b>	<b>(1,750)</b>	<b>(30,950)</b>	-	<b>16,652</b>
<b>As at 30 June 2022 (Audited)</b>	<b>49,352</b>	-	<b>(30,950)</b>	<b>43,026</b>	<b>61,428</b>
Profit after tax/Total comprehensive income	-	-	-	1,195	1,195
<b>As at 30 September 2022 (Unaudited)</b>	<b>49,352</b>	-	<b>(30,950)</b>	<b>44,221</b>	<b>62,623</b>

## Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth 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 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	YEAR-TO-DATE ENDED	
	30.9.2022 RM'000	30.9.2021 <sup>(2)</sup> RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>1,629</b>	<b>N/A</b>
Adjustments for:		
Net impairment losses on financial assets and contract assets	542	N/A
Depreciation of property, plant and equipment	659	N/A
Depreciation of right-of-use assets	101	N/A
Depreciation of investment properties	4	N/A
Finance income	(16)	N/A
Finance costs	105	N/A
Operating profit before working capital changes	3,024	N/A
<b>Changes in working capital</b>		
Change in trade and other receivables and prepayments	6,113	N/A
Change in trade and other payables	145	N/A
Change in contract assets	(6,222)	N/A
Change in contract liabilities	(548)	N/A
Cash from operations	2,512	N/A
Income tax paid	(1,240)	N/A
Interest paid	(105)	N/A
Net cash from operating activities	<b>1,167</b>	<b>N/A</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(147)	N/A
Interest income received	16	N/A
Net cash used in investing activities	<b>(131)</b>	<b>N/A</b>
<b>Cash Flows From Financing Activities</b>		
Change in deposits pledged	(188)	N/A
Net repayment of loans and borrowings	(119)	N/A
Net repayment of lease liabilities	(682)	N/A
Net cash used in financing activities	<b>(919)</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>47</b>	<b>N/A</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>15,026</b>	<b>N/A</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>15,073</b>	<b>N/A</b>


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup> (CONT'D)**

	<b>YEAR-TO-DATE ENDED</b>	
	<b>30.9.2022</b>	<b>30.9.2021<sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Fixed deposits with licensed banks	4,067	N/A
Short-term investment	6,004	N/A
Cash and bank balances	9,069	N/A
	<u>19,140</u>	<u>N/A</u>
Less: Pledged deposits	(4,067)	N/A
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b><u>15,073</u></b>	<b><u>N/A</u></b>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth 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.

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**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 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 Listing Requirements.

This is the fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the first quarter and year-to-date ended 30 September 2022 announced by the Company in compliance with the Listing Requirements. As the Company was listed on the ACE Market of Bursa Securities on 28 April 2022, there are no comparative figures for the preceding year’s corresponding quarter.

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory 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 in preparation of the Group’s audited financial statements for the financial year ended 30 June 2022, except for the adoption of the following new MFRSs and/or IC interpretations (including The Consequential Amendments) which became effective for the financial year beginning on or after 1 January 2022:

	<b>Effective dates for financial periods beginning on or after</b>
• 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 Contract	1 January 2022
• Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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## 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

	<u>Effective dates for financial periods beginning on or after</u>
• MFRS 17 Insurance Contracts	1 January 2023
• Amendments to MFRS 17 Insurance Contracts	1 January 2023
• Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative information	1 January 2023
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
• 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 Liabilities arising from a Single Transaction	1 January 2023
• 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

### A3. Auditors' report on preceding annual financial statements

There was no qualification on the audited financial statements for the financial year ended 30 June 2022 of the Company.

### A4. Seasonal or cyclical factors

The business operations of the Group were not materially 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 quarter 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 quarter under review.

**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.

**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 30 September 2022 is as follows:

Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021 <sup>(1)</sup>	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	16,545	N/A	16,545	N/A
Substation engineering	10,513	N/A	10,513	N/A
<b>Total</b>	<b>27,058</b>	<b>N/A</b>	<b>27,058</b>	<b>N/A</b>

Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021 <sup>(1)</sup>	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Power	26,828	N/A	26,828	N/A
Gas	224	N/A	224	N/A
Sewerage	6	N/A	6	N/A
<b>Total</b>	<b>27,058</b>	<b>N/A</b>	<b>27,058</b>	<b>N/A</b>

**Notes:**

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

N/A – Not applicable

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

### A10. Valuation of property, plant and equipment

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

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

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.

### A12. Changes in the composition of the Group

On 19 July 2022, Mutu Nusantara Sdn Bhd "MNSB", a wholly-owned subsidiary of the Company, had incorporated one subsidiary, MN Semantra Sdn Bhd "MNSSB" with shareholding of 51% of total paid up capital of RM100, representing RM1 per ordinary share. Mr Wong Yew Choong, a minority shareholder is holding 49% of total paid up capital of MNSSB and MNSSB is principally engaged in the provision of underground utilities construction and pipe jacking services.

Save as disclosed above, there were no other 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 and/or contingent liabilities as at the date of this interim financial report:

	UNAUDITED	AUDITED
	As at	As at
	30.9.2022	30.6.2022
	RM'000	RM'000
Performance guarantee extended to third parties	6,048	4,301

### 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 material related party transactions during the financial quarter under review:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Rental paid or payable to a director	19	N/A	19	N/A

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

### B1. Review of Performance

#### (a) Results for current quarter and financial year-to-date

The Group recorded revenue of RM27.06 million for the current financial quarter and financial year-to-date ended 30 September 2022 (“1Q2023”).

The Group’s revenue was principally derived from the underground utilities engineering segment, contributing approximately 61.16% of the total revenue in 1Q2023.

The Group registered a PBT and PAT of RM1.63 million and RM1.20 million, respectively, in the current financial quarter and year-to-date under review.

This is the fourth interim financial report being announced by the Group in compliance with the Listing Requirements. As the Company was listed on the ACE Market of Bursa Securities on 28 April 2022, there are no comparative figures for the preceding year’s corresponding quarter.

### B2. Comparison with immediate preceding quarter’s results

	QUARTER ENDED		Variance	
	30.9.2022	30.6.2022	RM’000	%
	RM’000	RM’000		
Revenue	27,059	25,133	1,926	7.66
PBT/(LBT)	1,630	(602)	2,232	270.76

The Group recorded revenue of RM27.06 million in 1Q2023 as compared to RM25.13 million in the preceding quarter ended 30 June 2022 (“4Q2022”), represented an increase of RM1.93 million in 1Q2023. The increase in revenue was mainly due to higher level of construction activities based on the on-going projects’ progress.

The Group registered a PBT of RM1.63 million in 1Q2023, an increase of RM2.23 million from LBT of RM0.60 million in 4Q2022. On a normalised basis, excluding the listing expenses of RM1.15 million, and net impairment loss of financial assets and contract assets amounting to RM1.16 million, the adjusted PBT would have been RM1.71 million for the preceding financial quarter. Similarly, on a normalised basis, the adjusted PBT for the current financial quarter, excluding the net impairment loss of financial assets and contract assets of RM0.54 million, would have been RM2.17 million and hence, on a quarter-on-quarter basis, the Group PBT increased by RM0.46 million as compared with the preceding quarter. The increase in the current quarter was mainly attributable to higher construction activities incurred during the quarter, which had increased the gross profit for the current quarter.

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

**B3. Prospects and outlook**

The Malaysian economy registered a strong 14.2% year-over-year GDP growth in the third quarter of 2022. The construction sector too recorded a higher growth as all sub-sectors showed an improvement in economic activities. With the improvement in the labour market condition, implementation of policy measures, such as the increase in minimum wages, too contributed significantly to the economic growth.

The Group has recorded positive results in the current financial quarter. In addition, the Group has been successful in securing several underground utilities and substation engineering projects that has substantially contributed to the Group's total order book. The Group remains focused on securing new projects, both from new and existing customers, and ensuring that the capacity and operations of the Group will be cautiously managed to achieve higher standard of productivity and efficiency.

As at the date of this report, the Group's order book is at RM287.48 million, an increase of 75.4% or approximately RM123.62 million from the date of listing. The strong order book will provide the Group a visible outlook in terms of top line growth and profitability over the next two to three financial years, barring any unforeseen circumstances. As the Group's capabilities and scale had expanded, the range of projects will also be widened, which will positively contribute to the Group's financial performance.

**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**

Saved as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim financial report:

On 23 November 2022, M&A Securities Sdn Bhd has on behalf of the Board of Directors of the Company, announced that the Company proposes to undertake the following proposals:

- (a) Proposed bonus issue of 204,375,000 warrants ("**Warrant(s)**") on the basis of 1 Warrant for every 2 existing ordinary shares in MNHB ("**MNHB Share(s)**" or "**Share(s)**") held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("**Entitlement Date**") ("**Entitled Shareholder(s)**") ("**Proposed Bonus Issue of Warrants**"); and
- (b) Proposed establishment of an employees' share option scheme ("**ESOS**") of up to 30.00% of the total number of issued Shares of MNHB (excluding treasury shares, if any) at any point in time during the duration of the ESOS for the eligible employees and directors of MNHB and its subsidiaries (excluding dormant subsidiaries, if any) ("**Group**" or "**MNHB Group**") ("**Proposed ESOS**").

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

## B6. Income tax expenses

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021 <sup>(1)</sup>	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense <sup>(2)</sup>	564	N/A	564	N/A
Deferred tax expense	(130)	N/A	(130)	N/A
<b>Total tax expense</b>	<b>434</b>	<b>N/A</b>	<b>434</b>	<b>N/A</b>
Effective tax rate (%) <sup>(3)</sup>	26.66	N/A	26.66	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

N/A – Not applicable

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter 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.
- (3) The effective tax rate of the Group for the current quarter and year-to-date under review was higher than the statutory tax rate of 24% mainly due to the non-deductibility of certain expenses such as provision for impairment of financial assets, professional fees and others for tax purposes.

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

### B7. Utilisation of proceeds from the IPO

The gross proceeds raised from the IPO amounted to RM17.17 million. As at the date of this interim financial report, the utilisation of proceeds from IPO is as follows:-

<u>Details of utilisation</u>	<u>Proposed utilisation</u>	<u>Actual utilisation</u>	<u>Deviation</u>	<u>Estimated timeframe for utilisation upon listing</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Purchase of machinery and equipment	1,720	193	-	Within 24 months
Repayment of bank borrowings	3,995	1,147	-	Within 12 months
General working capital	8,453	5,750	(333)	Within 24 months
Estimated listing expenses	3,000	3,333	333	Within 1 month
	<u>17,168</u>	<u>10,423</u>	<u>-</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 8 April 2022, and announcement on 27 July 2022, on variation of the utilisation of proceeds raised from the initial public offering.

### B8. Bank borrowings

The Group's bank borrowings were as follows:

	<u>UNAUDITED</u>	<u>AUDITED</u>
	<u>As at 30.9.2022</u>	<u>As at 30.6.2022</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>Current:</b>		
Lease liabilities	1,094	1,399
Term loans	487	486
Banker acceptances	3,361	2,236
Bank overdraft	-	3
	<u>4,942</u>	<u>4,124</u>
<b>Non-current:</b>		
Lease liabilities	1,153	714
Term loans	1,726	3,156
	<u>2,879</u>	<u>3,870</u>
<b>Total bank borrowings</b>	<u>7,821</u>	<u>7,994</u>

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



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B9. Material litigation**

Save as disclosed below, the Group is 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 the Group's position or business at this juncture.

**(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. The Group has 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. There is still no update on the appointment of private liquidator.

**(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. At this juncture, 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 and provision has been made for the expected costs to be incurred. The Board is of the view that the Settlement Sum did not have a material impact to the Group.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B9. Material litigation (cont'd)****(iii) Johor Bahru Session Court (Suit No. JG-A53-2-10/2022) Telekom Malaysia Berhad "Telekom" vs MNSB**

On 3 October 2022, MNSB had been served with a writ summons and statement of claims from Telekom, claiming for RM113,309.55 for failing to rectify the damage caused by MNSB's drilling activities to fibre optic cables owned by Telekom near Jambatan Sg. Sembrong, Jalan Mersing, Kluang, Johor.

MNSB has filed the statement of defence on 10 November 2022. In the statement of defence, the company claimed that the drilling works during that period, was performed by another company, named Fusionspace Solutions Sdn Bhd ("FSSB"). Furthermore, MNSB and FSSB had requested utility mapping from Telekom for the involved site, and also confirmation from Telekom officer, on absent of utility infrastructure on the site during the site visit before commencement of drilling work. The matter has been fixed for case management by 1 December 2022.

**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:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021 <sup>(1)</sup>	30.9.2022	30.9.2021
Profit attributable to the owners of the Company (RM'000)	1,195	N/A	1,195	N/A
Number of ordinary shares ('000)	408,750	N/A	408,750	N/A
Basic/Diluted EPS (sen) <sup>(2)</sup>	0.29	N/A	0.29	N/A

**Notes:**

N/A – Not applicable

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic earnings per share for the current financial quarter and financial year-to-date ended 30 September 2022 is calculated based on the Company's share capital of 408,750,000 shares in issue after the Company listed on the ACE market of Bursa Securities on 28 April 2022. There are no dilutive instruments at the end of 30 September 2022.

**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):

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2022	30.9.2021 <sup>(1)</sup>	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	659	N/A	659	N/A
Depreciation of investment properties	4	N/A	4	N/A
Depreciation of right-of-use assets	101	N/A	101	N/A
Finance costs	105	N/A	105	N/A
Net impairment losses on financial assets and contract assets	542	N/A	542	N/A
Deposits recovered	(8)	N/A	(8)	N/A
Finance income	(16)	N/A	(16)	N/A
Rental income	(6)	N/A	(6)	N/A

**Note:**

N/A – Not applicable

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter 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**

**23 November 2022**