



MN HOLDINGS BERHAD

Registration No.: 202001038774 (1395095-M)

**Interim Financial Report
For the Quarter and Year-to-date Ended
31 December 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	41,002	26,074	68,061	49,766
Cost of sales		(33,177)	(19,575)	(54,952)	(37,392)
Gross profit ("GP")		7,825	6,499	13,109	12,374
Other income		50	455	147	676
Administrative expenses		(2,932)	(1,604)	(5,273)	(4,164)
Net impairment losses on financial assets and contract assets		(568)	(800)	(1,110)	(800)
Other expenses		(774)	(574)	(1,537)	(1,598)
Profit from operations		3,601	3,976	5,336	6,488
Finance costs		(127)	(90)	(232)	(167)
Profit before tax ("PBT")	B12	3,474	3,886	5,104	6,321
Income tax expense	B6	(895)	(1,378)	(1,330)	(1,541)
Profit after tax/Total comprehensive income ("PAT")		2,579	2,508	3,774	4,780
Profit after tax / Total comprehensive income attributable to:					
• Owners of the Company		2,581	2,508	3,776	4,780
• Non-controlling interests		(2)	-	(2)	-
		<u>2,579</u>	<u>2,508</u>	<u>3,774</u>	<u>4,780</u>
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B11	0.63	0.77	0.92	1.46
• Diluted (sen) ⁽³⁾	B11	0.63	0.61	0.92	1.17

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) Basic earnings per share for the current financial quarter and financial year-to-date ended 31 December 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. Basic earnings per share for the comparative quarter and year-to-date ended 31 December 2021 is calculated based on the enlarged share capital of 327,000,000 shares in issue before the Company's Initial Public Offer ("IPO").
- (3) Diluted earnings per share of the Company for the current financial quarter and financial year-to-date ended 31 December 2022 is equivalent to the basic earnings per share as the Company does not have any dilutive instruments as at the end of the reporting period/years

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	UNAUDITED	AUDITED
	As at	As at
	31.12.2022	30.6.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,236	5,631
Right-of-use assets	900	1,072
Investment properties	605	612
Deferred tax assets	2,537	2,271
Total non-current assets	9,278	9,586
Current Assets		
Trade and other receivables	48,435	34,053
Contract assets	58,700	55,681
Current tax assets	-	142
Short-term investment	6,047	-
Cash and cash equivalents	12,064	18,901
Total current assets	125,246	108,777
TOTAL ASSETS	134,524	118,363
EQUITY AND LIABILITIES		
Equity		
Share capital	49,352	49,352
Merger deficit	(30,950)	(30,950)
Retained profits	46,801	43,026
	65,204	61,428
Non-controlling interest	(2)	-
Total equity	65,202	61,428
Liabilities		
Non-current liabilities		
Lease liabilities	1,205	2,023
Loans and borrowings	1,603	1,846
Total non-current liabilities	2,808	3,869
Current liabilities		
Trade and other payables	50,821	38,936
Contract liabilities	7,963	8,371
Loans and borrowings	5,776	2,725
Lease liabilities	766	1,399
Current tax liabilities	1,188	1,635
Total current liabilities	66,514	53,066
TOTAL LIABILITIES	69,322	56,935
TOTAL EQUITY AND LIABILITIES	134,524	118,363



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

Number of shares in issue ('000) after Public Issue⁽²⁾	408,750	408,750
NET ASSETS PER SHARE (RM) ⁽²⁾	0.16	0.15

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 31 December 2022.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Share Capital RM'000	Invested Equity RM'000	Merger Equity RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
As at 1 July 2021 (Audited)	-	1,750	-	37,498	39,248	-	39,248
Profit after tax/Total comprehensive income	-	-	-	5,528	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	-	17,167
- Listing expenses	(515)	-	-	-	(515)	-	(515)
	49,352	(1,750)	(30,950)	-	-	-	16,652
As at 30 June 2022 (Audited)	49,352	-	(30,950)	43,026	61,428	-	61,428
Total comprehensive income/(loss)	-	-	-	3,776	3,776	(2)	3,774
As at 31 December 2022 (Unaudited)	49,352	-	(30,950)	46,802	65,194	(2)	65,202

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	YEAR-TO-DATE ENDED	
	31.12.2022 RM'000	31.12.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	3,774	6,321
Adjustments for:		
Net impairment losses on financial assets and contract assets	1,110	800
Depreciation of property, plant and equipment	1,325	974
Depreciation of right-of-use assets	205	601
Depreciation of investment properties	7	7
Finance income	(52)	(19)
Finance costs	232	167
Operating profit before working capital changes	6,601	8,851
Changes in working capital		
Change in trade and other receivables and prepayments	(14,382)	3,751
Change in trade and other payables	11,885	(7,478)
Change in contract assets	(3,019)	(3,927)
Change in contract liabilities	(408)	2,016
Cash from operations	677	3,213
Income tax paid	(1,902)	(1,267)
Interest paid	(232)	(167)
Net cash (used in)/from operating activities	(1,457)	1,779
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(930)	(389)
Interest income received	52	19
Net cash used in investing activities	(878)	(370)
Cash Flows From Financing Activities		
Change in deposits pledged	(2,419)	(204)
Net drawdown/(repayment) of loans and borrowings	2,808	(2,728)
Net repayment of lease liabilities	(1,455)	(1,203)
Net cash used in financing activities	(1,066)	(4,135)
Net decrease in cash and cash equivalents	(3,401)	(2,726)
Cash and cash equivalents at the beginning of the financial year	15,026	8,353
Cash and cash equivalents at the end of the financial period	11,625	5,627


UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	YEAR-TO-DATE ENDED	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	6,486	3,109
Short-term investment	6,047	-
Cash and bank balances	5,578	5,627
	<u>18,111</u>	<u>8,736</u>
Less: Pledged deposits	(6,486)	(3,109)
Cash and cash equivalents in the consolidated statement of cash flows	<u>11,625</u>	<u>5,627</u>

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.

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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 Holdings Berhad (“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 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:

	Effective dates for financial periods beginning on or after
• 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
• 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 16: Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
• 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

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

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.

A7. Debt and equity securities

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.

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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 2022 is as follows:

Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	21,654	21,027	38,199	38,509
Substation engineering	19,348	5,047	29,862	11,257
Total	41,002	26,074	68,061	49,766

Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Power	40,992	25,732	67,821	49,284
Gas	10	342	234	744
Sewerage	-	-	6	(262)
Total	41,002	26,074	68,061	49,766

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.

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

A12. Changes in the composition of the Group

On 15 December 2022, Mutu Nusantara Sdn Bhd "MNSB", a wholly-owned subsidiary of the Company, had incorporated one subsidiary, MN Moxtech Sdn Bhd "MNMSB" with a shareholding of 80% of the total paid up capital of RM100, representing RM1 per ordinary share. Mr. Sariman Bin Bakar, a minority shareholder is holding 20% of total paid up capital of MNMSB. MNMSB is principally engaged in the provision of aerial bundled cable engineering services and solutions.

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
	31.12.2022	30.6.2022
	RM'000	RM'000
Performance guarantee extended to third parties	14,822	4,301

A14. Capital commitments

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

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Rental paid or payable to a director	18	19	37	37

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

B1. Review of Performance

(a) Comparison with Preceding Year's Corresponding Quarter Results

The Group recorded revenue of RM41.00 million for the current financial quarter ended 31 December 2022 (“**2Q2023**”) compared with RM26.07 million for the preceding financial quarter of 31 December 2021 (“**2Q2022**”) which represents an increase of RM14.93 million or 53.70% year-on-year (“**y-o-y**”).

The Group's revenue was derived from the underground utilities engineering segment and substation engineering segment, which contributed 52.81% and 47.19% of the total revenue in 2Q2023 respectively. The overall increase in revenue is mainly contributed from the substation engineering segment, which increased from RM4.96 million in 2Q2022 to RM19.35 million in 2Q2023.

The Group registered a PBT of RM3.47 million in 2Q2023, a decrease of RM0.42 million from RM3.89 million in 2Q2022. The lower PBT was, mainly attributable to an increase in administrative expenses, as a result of business expansion of the Group.

The Group registered a PAT of RM2.58 million in the current financial quarter under review as compared with RM2.51 million in the same corresponding quarterly period last year.

(b) Comparison with Preceding Year's Corresponding Year-to-Date Results

The Group recorded revenue of RM68.06 million for the financial year-to-date ended 31 December 2022 compared with RM49.77 million for the preceding financial year-to-date ended 31 December 2021, an increase of RM18.29 million or 36.75% y-o-y.

The Group's revenue was derived from the underground utilities engineering segment and substation engineering segment, which accounted for 56.13% and 43.87% of the total revenue for the year-to-date financial period ended 31 December 2022 respectively. The overall increase in revenue for the Group is mainly contributed from substation engineering segment, which increased from RM11.26 million in the financial year-to-date 31 December 2021 to RM29.86 million in financial year-to-date ended 31 December 2022.

The Group registered a PBT of RM5.10 million in financial year -to-date ended 31 December 2022, a decrease of RM1.22 million from RM6.32 million in the previous corresponding period. The lower PBT was attributable to an increase in administrative expenses of RM1.11 million and a decrease in other income amounting to RM0.53 million.

The Group registered a PAT of RM3.77 million in the year-to-date ended 31 December 2022 compared with RM4.78 million in the previous corresponding period.

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

B2. Comparison with immediate preceding quarter's results

	QUARTER ENDED		Variance	
	31.12.2022	30.09.2022	RM'000	%
	RM'000	RM'000		
Revenue	41,002	27,059	13,943	51.53
PBT	3,474	1,630	1,844	113.13

The Group recorded revenue of RM41.00 million in the 2Q2023 as compared to RM27.06 million in the preceding quarter ended 30 September 2022 ("**1Q2023**"), representing an increase of RM13.94 million or 51.53% quarter-on-quarter ("**q-o-q**"). The increase in revenue compared with 1Q2023 is mainly contributed from the substation engineering segment, which had increased from RM10.51 million in 1Q2023 to RM19.35 million in the 2Q2023, up 84.02% q-o-q. The increase in substation engineering segment is mainly contributed by commencement of several major projects which has been secured by the Group recently.

The Group registered a PBT of RM3.47 million in the 2Q2023, an increase of RM1.84 million or 113.13% q-o-q from PBT of RM1.63 million recorded in the 1Q2023.

B3. Prospects and outlook

The Malaysian economy registered a growth of 7.0% year-over-year GDP growth in the fourth quarter compared to 14.2% in the third quarter of 2022. For 2022 as a whole, the economy expanded by 8.7%. The construction sector too recorded a growth of 10.1% as all sub-sectors showed an improvement in economic activities. In the construction sector, civil engineering and non-residential subsectors were lifted by continued progress of large infrastructure, commercial and industrial projects.

The Group has recorded positive results in the current financial quarter. In addition, the Group has been exploring several value-added services to further enhance our services, as well as improved our competitive strength. This including the signing of Memorandum of Understanding with Intelligent PIE Consulting Sdn Bhd for providing operational technology cyber security to our substation engineering services customers. The cyber security technology in substation engineering will provide a network protection to the substation network, and further strengthen our competitive strength in the power utilities sector.

As at the date of this report, the Group's order book is at RM325.91 million. These secured contracts are expected to contribute positively to the Group's earnings over the next two to three financial years, barring any unforeseen circumstances. Overall, the Board is optimistic that the Group will achieve satisfactory financial result for the financial year ending 30 June 2023.

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

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 ("**the Board**") 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").

On 13 December 2022, M&A Securities Sdn Bhd has on behalf of the Board, announced that Bursa Securities had approved the Proposed Bonus Issue of 204,375,000 Warrants and Proposed ESOS.

On 9 February 2023, M&A Securities Sdn Bhd has on behalf of the Board of Directors of the Company, announced that the Board had fixed the entitlement date for the Warrants at 27 February 2023.

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

B6. Income tax expenses

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense ⁽¹⁾	1,031	1,607	1,596	1,700
Deferred tax expense	(136)	(229)	(266)	(229)
Total tax expense	895	1,378	1,330	1,541
Effective tax rate (%) ⁽²⁾	25.76	35.46	26.05	24.38
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

N/A – Not applicable

- (1) Income tax expense is recognised based on management's best estimate.
- (2) 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.

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:-

Details of utilisation	Proposed utilisation	Actual utilisation	Deviation	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	
Purchase of machinery and equipment	1,720	628	N/A	Within 24 months
Repayment of bank borrowings	3,995	1,147	N/A	Within 12 months
General working capital	8,453	7,638	N/A	Within 24 months
Estimated listing expenses	3,000	3,000	N/A	Within 1 month
	17,168	12,413	N/A	

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.

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 31.12.2022	As at 30.6.2022
	RM'000	RM'000
Current:		
Lease liabilities	766	1,399
Term loans	502	486
Banker acceptances	5,274	2,236
Bank overdraft	-	3
	<u>6,542</u>	<u>4,124</u>
Non-current:		
Lease liabilities	1,205	2,023
Term loans	1,603	1,846
	<u>2,808</u>	<u>3,889</u>
Total bank borrowings	<u>9,350</u>	<u>7,993</u>

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

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.

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. 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.

(iii) Kluang 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 full trial on 18 - 21 September 2023.

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.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)
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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to the owners of the Company (RM'000)	2,581	2,508	3,776	4,780
Number of ordinary shares ('000)	408,750	327,000	408,750	327,000
Basic EPS (sen) ⁽¹⁾	0.63	0.77	0.92	1.46
Diluted EPS (sen) ⁽²⁾	0.63	0.61	0.92	1.17

Notes:

N/A – Not applicable

- (1) Basic EPS is calculated based on the Company's share capital of 408,750,000 ordinary shares (31 December 2021: 327,000,000 ordinary shares).
- (2) Basic earnings per share for the current financial quarter and financial year-to-date ended 31 December 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 December 2022.

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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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	666	292	1,325	974
Depreciation of investment properties	3	4	7	7
Depreciation of right-of-use assets	104	323	205	601
Finance costs	127	90	232	167
Net impairment losses on financial assets and contract assets	568	800	1,110	800
Deposits recovered	-	-	(8)	-
Finance income	(44)	(8)	(52)	(19)
Rental income	(6)	(74)	(12)	(80)

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

BY ORDER OF THE BOARD

MN HOLDINGS BERHAD

20 February 2023