



MN HOLDINGS BERHAD

Registration No.: 202001038774 (1395095-M)

**Interim Financial Report
For the Quarter and Year-to-date Ended
30 June 2023**



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		30.6.2023	30.6.2022	30.6.2023	30.6.2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	49,194	25,133	163,034	104,003
Cost of sales		(38,549)	(20,151)	(129,457)	(81,075)
Gross profit ("GP")		10,645	4,982	33,577	22,928
Other income		194	199	972	1,213
Administrative expenses		(4,339)	(3,108)	(13,334)	(9,653)
Net impairment on financial assets and contract assets		(2,143)	(1,330)	(4,013)	(2,485)
Other expenses		(847)	(1,198)	(3,394)	(3,427)
Profit/(Loss) from operations		3,510	(455)	13,806	8,576
Finance costs		(216)	(147)	(591)	(357)
Profit/(Loss) before tax ("PBT/(LBT)")	B12	3,294	(602)	13,215	8,219
Income tax expense	B6	(1,251)	(488)	(3,804)	(2,691)
Profit/(Loss) after tax/Total comprehensive income ("PAT/(LAT)")		2,043	(1,090)	9,411	5,528
Profit/(loss) after tax / Total comprehensive income/(loss) attributable to:					
• Owners of the Company		2,137	(1,090)	9,609	5,528
• Non-controlling interests		(94)	-	(198)	-
		<u>2,043</u>	<u>(1,090)</u>	<u>9,411</u>	<u>5,528</u>
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B11	0.52	(0.32)	2.35	1.62
• Diluted (sen) ⁽³⁾	B11	0.35	(0.27)	1.57	1.35

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 EPS is calculated based on the weighted average number of ordinary shares of 408,750,304 (30 June 2022: 341,110,274 weighted average number of ordinary shares).
- (3) Diluted earnings per share of the Company for the current financial quarter and financial year-to-date ended 30 June 2023 is calculated based on the fully diluted exercised number of shares in issue pursuant to the Bonus Issue of Warrants as at 8 March 2023, which is 613,125,000 shares. Diluted earnings per share for the financial quarter and year-to-date 30 June 2022 is calculated based on assumed number of shares in issue pursuant to the completion of the IPO, which is 408,750,000 shares.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.6.2023 RM'000	As at 30.6.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,597	5,631
Right-of-use assets	848	1,072
Investment properties	598	612
Deferred tax assets	3,234	2,271
Total non-current assets	11,277	9,586
Current Assets		
Trade and other receivables	53,303	34,053
Contract assets	60,858	55,681
Short-term investment	1,103	-
Current tax assets	-	142
Cash and cash equivalents	20,544	18,901
Total current assets	135,808	108,777
TOTAL ASSETS	147,085	118,363
EQUITY AND LIABILITIES		
Equity		
Share capital	49,352	49,352
Merger deficit	(30,950)	(30,950)
Retained profits	52,635	43,026
	71,037	61,428
Non-controlling interest	162	-
Total equity	71,199	61,428
Liabilities		
Non-current liabilities		
Lease liabilities	471	714
Loans and borrowings	2,939	3,155
Total non-current liabilities	3,410	3,869
Current liabilities		
Trade and other payables	55,349	38,936
Contract liabilities	9,059	8,371
Loans and borrowings	5,620	3,793
Lease liabilities	360	331
Current tax liabilities	2,088	1,635
Total current liabilities	72,476	53,066
TOTAL LIABILITIES	75,886	56,935
TOTAL EQUITY AND LIABILITIES	147,085	118,363



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

Number of shares in issue ('000) after Public Issue⁽²⁾	408,752	408,750
NET ASSETS PER SHARE (RM) ⁽²⁾	0.17	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 408,751,500 shares (30 June 2022: 408,750,000 shares) in issue as at 30 June 2023.

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MN HOLDINGS BERHAD

Registration No.: 202001038774 (1395095-M)

Interim Financial Report For The Quarter and Year-to-date Ended 30 June 2023

**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 taxation/Total comprehensive income for the financial year	-	-	-	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
Profit/(Loss) after taxation/Total comprehensive income/(loss) for the financial year	-	-	-	9,609	9,609	(198)	9,411
Transaction with owners:							
Shares acquired by Non-controlling interest of subsidiaries	-	-	-	-	-	360	360
As at 30 June 2023 (Unaudited)	49,352	-	(30,950)	52,635	71,037	162	71,199

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	
	30.6.2023 RM'000	30.6.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	13,215	8,219
Adjustments for:		
Bad debts written off	-	16
Impairment losses on financial assets and contract assets	4,155	2,533
Depreciation of property, plant and equipment	2,805	2,906
Depreciation of right-of-use assets	352	145
Depreciation of investment properties	15	15
Deposit written off	210	362
Gain on disposal of property, plant and equipment	-	(30)
Reversal on impairment losses on financial assets	(142)	(48)
Finance income	(134)	(46)
Finance costs	591	356
Operating profit before working capital changes	21,067	14,428
Changes in working capital		
Change in trade and other receivables and prepayments	(19,175)	1,794
Change in trade and other payables	11,541	(4,637)
Change in contract assets	(5,177)	(6,613)
Change in contract liabilities	688	(4,354)
Cash from operations	8,944	618
Net Income tax paid	(4,172)	(3,835)
Net cash from/(used in) operating activities	4,772	(3,217)
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(2,962)	(568)
Proceeds from disposal of property, plant and equipment	-	30
Change in deposits pledged	(6,375)	(970)
Interest income received	134	46
Net cash used in investing activities	(9,203)	(1,462)
Cash Flows From Financing Activities		
Interest paid	(591)	(356)
Net drawdown/(repayment) of loans and borrowings	1,611	(2,586)
Net repayment of lease liabilities	(214)	(2,361)
Net proceeds from issuance of shares	-	16,652
Net cash from financing activities	806	11,349
Net (decrease)/increase in cash and cash equivalents	(3,625)	6,670
Cash and cash equivalents at the beginning of the financial year	15,023	8,353
Cash and cash equivalents at the end of the financial year	11,398	15,023


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

	YEAR-TO-DATE ENDED	
	30.6.2023	30.6.2022
	RM'000	RM'000
Cash and cash equivalents at the end of the financial year comprises:		
Fixed deposits with licensed banks	10,249	3,875
Short-term investment	1,103	-
Cash and bank balances	10,295	15,026
Bank overdraft	-	(3)
	21,647	18,898
Less: Pledged deposits	(10,249)	(3,875)
Cash and cash equivalents in the consolidated statement of cash flows	11,398	15,023

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 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).

	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: 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 101: Classification of Liabilities as Current or Non-current	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 30 June 2023 is as follows:

Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	23,627	17,145	86,854	76,852
Substation engineering	25,567	7,988	76,180	27,151
Total	49,194	25,133	163,034	104,003

Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Power	48,953	25,064	162,332	103,402
Gas	244	53	538	847
Sewerage	(3)	16	164	(246)
Total	49,194	25,133	163,034	104,003

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

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:

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As at	As at
	30.6.2023	30.6.2022
	RM'000	RM'000
Performance guarantee extended to third parties	19,243	4,678

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:

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Rental paid or payable to a director	19	19	74	74

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

B1. Review of Performance

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

	QUARTER ENDED		Variance	
	30.6.2023	30.6.2022	RM'000	%
	RM'000	RM'000		
Revenue	49,194	25,133	24,061	95.73

The Group recorded revenue of RM49.19 million for the current financial quarter ended 30 June 2023 ("4Q2023") compared with RM25.13 million for the previous financial quarter of 30 June 2022 ("4Q2022") which represents an increase of RM24.06 million or 95.73% on a year-on-year ("y-o-y") basis.

The Group's revenue was derived from the underground utilities engineering segment and substation engineering segment, which contributed 48.03% and 51.97% of the total revenue in 4Q2023 respectively. The overall increase in revenue is mainly contributed from the substation engineering segment, which increased from RM7.99 million in 4Q2022 to RM25.57 million in 4Q2023, an increase of more than three-fold.

The Group registered a PBT of RM3.29 million in 4Q2023, an increase of RM3.89 million from loss before tax of RM0.60 million in 4Q2022. The higher PBT was mainly attributable from the higher construction activities from both the underground utilities and substation engineering segments when compared with the previous corresponding quarter, as a result of business expansion of the Group.

The Group registered a PAT of RM2.04 million in the current financial quarter under review as compared with LAT of RM1.09 million in the same corresponding quarterly period last year.

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

	YEAR ENDED		Variance	
	30.6.2023	30.6.2022	RM'000	%
	RM'000	RM'000		
Revenue	163,034	104,003	59,031	56.76

The Group recorded revenue of RM163.03 million for the financial year ended 30 June 2023 compared with RM104.00 million for the previous financial year, an increase of RM59.03 million or 56.76% on a y-o-y basis.

The Group's revenue was derived from the underground utilities engineering segment and substation engineering segment, which accounted for 53.27% and 46.73% of the total revenue for the financial year ended 30 June 2023 respectively. The overall increase in revenue for the Group is mainly contributed from substation engineering segment, which increased from RM27.15 million in the current financial year to RM76.18 million, an increase of 180% on a y-o-y basis.

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

B1. Review of Performance (cont'd)

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

The Group registered a PBT of RM13.22 million in the current financial year ended 30 June 2023, an increase of RM5.00 million from RM8.22 million in the previous corresponding period. The higher PBT was attributable to an increase in gross profit of the group from RM22.93 million to RM33.58 million in the financial year-to-date ended 30 June 2023.

The Group registered a PAT of RM9.41 million in the current financial year ended 30 June 2023 compared with RM5.53 million in the previous corresponding year.

B2. Comparison with immediate preceding quarter's results

	QUARTER ENDED		Variance	
	30.6.2023	31.3.2023	RM'000	%
	RM'000	RM'000		
Revenue	49,194	45,779	3,415	7.46
PBT	3,294	4,817	(1,523)	(31.62)

The Group recorded a revenue of RM49.19 million in the 4Q2023 as compared to RM45.78 million in the preceding quarter ended 31 March 2023 ("3Q2023"), representing an increase of RM3.41 million or 7.46% on a quarter-on-quarter ("q-o-q") basis. The increase in revenue compared with 3Q2023 is mainly derived from the substation engineering segment, which increased from Rm20.75 million in 3Q2023 to RM25.57 million in the 4Q2023, up by 23.23% on a q-o-q basis. The increase in substation engineering segment is mainly due to by higher of construction work activities of a few major projects secured by the group during the financial year as compared to the immediate preceding quarter.

The Group registered a PBT of RM3.29 million in the 4Q2023, a decrease of RM1.52 million or 31.62% on a q-o-q basis from a PBT of RM4.82 million recorded in the 3Q2023, mainly due to an increase in the provision of impairment of financial assets from RM0.76 million in 3Q2023 to RM2.14 million in the 4Q2023.

B3. Prospects and outlook

The Malaysian economy recorded an expansion of 2.9% in GDP during 2Q2023, supported continued improvement in labour market conditions, increase in household spending, and higher tourism activities. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5%. The construction sector also experienced a growth of 6.2% in economic activities, primarily contributed by continued progress of large infrastructure projects and support from higher special trade facilities. (Source: Quarterly Bulletin 2Q 2023; Bank Negara Malaysia)

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

B3. Prospects and outlook (cont'd)

Amidst the favourable economic conditions, the company has exhibited positive outcomes in the current financial quarter. This achievement can be linked to the ongoing advancement and initiation of a number of significant undertakings of projects that the company had previously secured. These projects have played a crucial role in enhancing the company's overall performance, resulting in significant expansion and improved financial outcomes.

As at 30 June 2023, the Group's order book stands at RM337.67 million. These secured contracts are expected to positively impact the Group's earnings over the next two to three financial years, barring any unforeseen circumstances. Overall, the Group remains poised for sustained expansion and upcoming prospects.

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.

On 8 March 2023, M&A Securities Sdn Bhd has on behalf of the Board of Directors of the Company, announced that the Bonus Issue of Warrants has been completed following the listing of and quotation for 204,375,000 Warrants on the ACE Market of Bursa Securities.

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

B6. Income tax expenses

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense ⁽¹⁾	1,765	733	4,764	3,250
Deferred tax expense	(514)	(245)	(960)	(559)
Total tax expense	1,251	488	3,804	2,691
Effective tax rate (%) ⁽²⁾	37.97	N/A ⁽³⁾	28.79	32.74
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.
- (3) The Group's effective tax rate for the preceding quarter is not applicable due to loss before taxation

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	1,027	N/A	Within 24 months
Repayment of bank borrowings	3,995	3,995	N/A	Within 12 months
General working capital	8,453	8,453	N/A	Within 24 months
Estimated listing expenses	3,000	3,000	N/A	Within 1 month
	17,168	16,475	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 30.6.2023	As at 30.6.2022
	RM'000	RM'000
Current:		
Lease liabilities	360	330
Hire purchase payables	924	1,069
Term loans	502	486
Banker acceptances	4,193	2,236
Bank overdraft	-	3
	5,979	4,124
Non-current:		
Lease liabilities	1,590	714
Hire purchase payables	471	1,309
Term loans	1,349	1,846
	3,410	3,869
Total bank borrowings	9,389	7,993

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): Mutu Nusantara Sdn Bhd ("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) 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.

(iii) Shah Alam High Court (Suit No. BA-22C-32-07/2023) MN Power Transmission Sdn Bhd “MPTSB” vs Bras Ventures Bhd “BVB”

On 10 July 2023, MPTSB had filed a writ of summons and statement of claims at the Shah Alam High Court claiming for a total outstanding sum of RM1,051,012.50 from BVB, which derived from erection works for a project known as “Engineering, Procurement, Construction & Commissioning (EPCC) For The Development of Pengerang 275kV Overhead Transmission Line From Pengerang Cogen Plant (PCT) to Peninsular Malaysia Grid And 275/132kV Pengerang Substation”.

On about 17 August 2023, BVB entered appearance in the said proceedings and filed a Notice to Produced Documents Referred in Pleading, requesting for documents referred in statement of claims for inspection. MPTSB then served a reply on 21 August 2023 for allowing BV to inspect the documents.

An impairment of RM175,859.00 and RM875,153.50 have been provided for the outstanding payment owing to MPTSB in FYE 2019 and FYE 2020, respectively.

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.

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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
Profit/(Loss) attributable to the owners of the Company (RM'000)	2,137	(1,090)	9,609	5,528
Weighted average number of ordinary shares ('000)	408,750	341,110	408,750	341,110
Diluted number of ordinary shares ('000)	613,125	408,750	613,125	408,750
Basic EPS (sen) ⁽¹⁾	0.52	(0.32)	2.35	1.62
Diluted EPS (sen) ⁽²⁾	0.35	(0.27)	1.57	1.35

Notes:

N/A – Not applicable

- (1) Basic EPS is calculated based on the weighted average numbers of ordinary shares of 408,750,304 (30 June 2022: 341,110,274 weighted average numbers of ordinary shares).
- (2) Diluted EPS for the current quarter and year-to-date 30 June 2023 is calculated based on the fully diluted exercised number of ordinary shares of 613,125,000 pursuant to the Bonus Issue of Warrants on 8 March 2023. Diluted EPS for the preceding quarter and year-to-date ended 30 June 2022 is calculated based on assumed number of shares in issue pursuant to the completion of the IPO, which is 408,750,000 shares.

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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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	526	1,335	2,805	2,906
Depreciation of investment properties	4	4	15	15
Depreciation of right-of-use assets	92	(474)	352	145
Deposits written off	210	334	210	334
Gain on disposal of property, plant and equipment	-	(30)	-	(30)
Finance costs	216	147	591	357
Net impairment losses on financial assets and contract assets	2,143	1,330	4,013	2,485
Deposits recovered	-	-	(75)	-
Finance income	(50)	(24)	(134)	(45)
Rental income	(6)	(6)	(24)	(91)

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

BY ORDER OF THE BOARD**MN HOLDINGS BERHAD****30 AUGUST 2023**