



# **MN HOLDINGS BERHAD**

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

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


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>**

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		30.9.2023	30.9.2022	30.9.2023	30.9.2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	55,148	27,059	55,148	27,059
Cost of sales		(44,248)	(21,775)	(44,248)	(21,775)
<b>Gross profit ("GP")</b>		<b>10,900</b>	<b>5,284</b>	<b>10,900</b>	<b>5,284</b>
Other income		496	97	496	97
Administrative expenses		(4,820)	(2,340)	(4,820)	(2,340)
Net impairment on financial assets and contract assets		-	(542)	-	(542)
Other expenses		(803)	(763)	(803)	(763)
<b>Profit from operations</b>		<b>5,773</b>	<b>1,734</b>	<b>5,773</b>	<b>1,734</b>
Finance costs		(199)	(105)	(199)	(105)
<b>Profit before tax ("PBT")</b>	B12	<b>5,574</b>	<b>1,629</b>	<b>5,574</b>	<b>1,629</b>
Income tax expense	B6	(1,388)	(434)	(1,388)	(434)
<b>Profit after tax/Total comprehensive income ("PAT")</b>		<b>4,186</b>	<b>1,195</b>	<b>4,186</b>	<b>1,195</b>
<b>Profit after tax / Total comprehensive income/ attributable to:</b>					
• Owners of the Company		4,152	1,195	4,152	1,195
• Non-controlling interests		34	-	34	-
		<b>4,186</b>	<b>1,195</b>	<b>4,186</b>	<b>1,195</b>
<b>Earnings per share attributable to owners of the Company</b>					
• Basic (sen) <sup>(2)</sup>	B11	1.02	0.29	1.02	0.29
• Diluted (sen) <sup>(3)</sup>	B11	0.86	0.29	0.86	0.29

**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 2023 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 408,751,500 (30 September 2022: 408,750,000 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 2024 is calculated based on the weighted average numbers of ordinary shares of 481,271,129 (30 September 2022: 408,750,000 weighted average number of ordinary shares).

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

	UNAUDITED	AUDITED
	As at 30.9.2023 RM'000	As at 30.6.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,084	6,597
Right-of-use assets	788	848
Investment properties	594	598
Deferred tax assets	3,265	3,250
<b>Total non-current assets</b>	<b>10,731</b>	<b>11,293</b>
<b>Current Assets</b>		
Trade and other receivables	34,638	52,524
Contract assets	71,372	61,396
Short-term investment	1,112	1,103
Cash and cash equivalents	25,368	20,521
<b>Total current assets</b>	<b>132,490</b>	<b>135,544</b>
<b>TOTAL ASSETS</b>	<b>143,221</b>	<b>146,837</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	49,352	49,352
Merger deficit	(30,950)	(30,950)
Retained profits	56,680	52,528
	75,082	70,930
Non-controlling interest	189	155
<b>Total equity</b>	<b>75,271</b>	<b>71,085</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	2,224	2,061
Loans and borrowings	1,197	1,349
<b>Total non-current liabilities</b>	<b>3,421</b>	<b>3,410</b>
<b>Current liabilities</b>		
Trade and other payables	47,324	56,559
Contract liabilities	6,348	7,616
Loans and borrowings	7,267	4,696
Lease liabilities	859	1,284
Current tax liabilities	2,731	2,187
<b>Total current liabilities</b>	<b>64,529</b>	<b>72,342</b>
<b>TOTAL LIABILITIES</b>	<b>67,950</b>	<b>75,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>143,221</b>	<b>146,837</b>



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

<b>Number of shares in issue ('000) after Public Issue<sup>(2)</sup></b>	408,752	408,752
<b>NET ASSETS PER SHARE (RM) <sup>(2)</sup></b>	0.18	0.17

**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 2023 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 2023: 408,751,500 shares) in issue as at 30 September 2023.

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

	Share Capital RM'000	Merger Equity RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
<b>As at 1 July 2022 (Audited)</b>	<b>49,352</b>	<b>(30,950)</b>	<b>43,026</b>	<b>61,428</b>	-	<b>61,428</b>
Profit/(Loss) after taxation/Total comprehensive income/(loss) for the financial year	-	-	9,502	9,502	(205)	9,297
Transaction with owners: Shares acquired by Non-controlling interest of subsidiaries	-	-	-	-	360	360
<b>As at 30 June 2023 (Audited)</b>	<b>49,352</b>	<b>(30,950)</b>	<b>52,528</b>	<b>70,930</b>	<b>155</b>	<b>71,085</b>
Profit after taxation/Total comprehensive income for the financial year	-	-	4,152	4,152	34	4,186
<b>As at 30 September 2023 (Unaudited)</b>	<b>49,352</b>	<b>(30,950)</b>	<b>56,680</b>	<b>75,082</b>	<b>189</b>	<b>75,271</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 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	YEAR-TO-DATE ENDED	
	30.9.2023 RM'000	30.9.2022 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>5,574</b>	<b>1,629</b>
Adjustments for:		
Impairment losses on financial assets and contract assets	-	542
Depreciation of property, plant and equipment	735	659
Depreciation of right-of-use assets	60	101
Depreciation of investment properties	4	4
Finance income	(11)	(16)
Finance costs	174	105
Operating profit before working capital changes	6,536	3,024
<b>Changes in working capital</b>		
Change in trade and other receivables and prepayments	16,695	6,113
Change in trade and other payables	(8,101)	145
Change in contract assets	(11,110)	(6,222)
Change in contract liabilities	(1,268)	(548)
Cash from operations	2,752	2,512
Net Income tax paid	(858)	(1,240)
Net cash from operating activities	1,894	1,272
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(222)	(147)
Change in deposits pledged	694	(188)
Interest income received	11	16
Net cash from/(used) in investing activities	483	(319)
<b>Cash Flows From Financing Activities</b>		
Interest paid	(174)	(105)
Net drawdown/(repayment) of loans and borrowings	2,264	(119)
Net repayment of lease liabilities	(305)	(682)
Net cash from/(used in) financing activities	1,785	(906)
<b>Net increase in cash and cash equivalents</b>	<b>4,162</b>	<b>47</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>11,329</b>	<b>15,026</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15,491</b>	<b>15,073</b>




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

	<b>YEAR-TO-DATE ENDED</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Fixed deposits with licensed banks	10,989	4,067
Short-term investment	1,112	6,004
Cash and bank balances	14,379	9,069
	<hr/> 26,480	<hr/> 19,140
Less: Pledged deposits	(10,989)	(4,067)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<hr/> <b>15,491</b>	<hr/> <b>15,073</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 2023 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 2023 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 2023, except for the adoption of the following new MFRSs and/or IC interpretations (including The Consequential Amendments).

	<b>Effective dates for financial periods beginning on or after</b>
• 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 112: International Tax Reform – Pillar Two Model Rules	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 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
• Amendments of MFRS 121: Lack of Exchangeability	1 January 2025
• 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 2023 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 September 2023 is as follows:

#### Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	25,062	16,545	25,062	16,545
Substation engineering	30,085	10,513	30,085	10,513
<b>Total</b>	<b>55,147</b>	<b>27,058</b>	<b>55,147</b>	<b>27,058</b>

#### Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Power	52,325	26,828	52,325	26,828
Gas	2,285	224	2,285	224
Sewerage	537	6	537	6
<b>Total</b>	<b>55,147</b>	<b>27,058</b>	<b>55,147</b>	<b>27,058</b>

### 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:

	<b>UNAUDITED</b>	<b>AUDITED</b>
	As at	As at
	<b>30.9.2023</b>	<b>30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantee extended to third parties	14,814	17,353

### 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:

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental paid or payable to a director	19	19	19	19
Payment to a firm which a director has interest	5	-	5	-

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

### B1. Review of Performance

#### (a) Comparison with Preceding Year's Corresponding Quarter and Year-to-Date Results

	QUARTER ENDED		Variance	
	30.9.2023 RM'000	30.9.2022 RM'000	RM'000	%
Revenue	55,148	27,059	28,089	104
PBT	5,574	1,630	3,944	241

The Group recorded revenue of RM55.15 million for the current financial quarter ended 30 September 2023 ("1Q2024") compared with RM27.06 million for the previous financial quarter of 30 September 2022 ("1Q2023") which represents an increase of RM28.09 million or 103.81% 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 45.44% and 54.56% of the total revenue in 1Q2024 respectively. The overall increase in revenue was mainly contributed from the substation engineering segment, which increased from RM10.51 million in 1Q2023 to RM30.09 million in 1Q2024, an increase of RM19.58 million or 186% on a y-o-y basis.

The Group registered a profit before tax of RM5.57 million in 1Q2024, a mark RM3.89 million increase compared to the RM1.63 million profit before tax recorded in 1Q2023.

Additionally, the Group achieved a Profit After Tax of RM4.19 million in the current financial quarter, a three-and-half fold increase in contrast to the RM1.19 million PAT in the corresponding quarterly period of the previous year.

The increase profit of the Group primarily attributed to heightened construction activities within both the underground utilities and substation engineering segments. The surge in business expansion by the group played a pivotal role in driving these increased activities, contributing to the overall positive financial performance.

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

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

	QUARTER ENDED		Variance	
	30.9.2023	30.6.2023	RM'000	%
	RM'000	RM'000		
Revenue	55,148	49,194	5,954	12
PBT	5,574	3,294	2,280	69

The Group recorded a revenue of RM55.15 million in the 1Q2024 as compared to RM49.19 million in the preceding quarter ended 30 June 2023 ("4Q2023"), representing an increase of RM5.95 million or 12.10% on a quarter-on-quarter ("q-o-q") basis. The increase in revenue compared with 4Q2023 is mainly derived from the substation engineering segment, which increased from RM25.56 million in 4Q2023 to RM30.09 million in the 1Q2024, up by 17.72% on a q-o-q basis. The increase in the substation engineering segment is mainly a result of escalated construction activities in several major projects secured by the Group during the financial year.

The Group registered a PBT of RM5.57 million in the 1Q2024, an increase of RM2.28 million or 69.21% on a q-o-q basis from a PBT of RM3.29 million recorded in the 4Q2023, mainly due to higher of provision of impairment of financial assets provided for in 4Q2023.

### B3. Prospects and outlook

The Malaysian economy recorded GDP growth of 3.3% y-o-y in 3Q2023, supported by continued improvement in labour market conditions, increase in household spending, and higher tourism activities. On a q-o-q basis, the construction sector also experienced a growth of 7.2% in economic activities as compared to 6.2% in 2Q2023, primarily contributed by higher support from ongoing large infrastructure projects and small-scale projects. (Source: Quarterly Bulletin 3Q 2023; Bank Negara Malaysia)

Benefiting from favourable economic conditions, the company has shown positive outcomes in the current financial quarter. The management is actively monitoring and implementing measures to ensure the smooth progress of construction and to replenish the group's order book. These projects have played a pivotal role in elevating the company's overall performance, leading to continuous expansion and improved financial results.

As of the date of this report, the Group's order book stands at RM345.37 million. These secured contracts are expected to positively contribute the Group's earnings over the next two to three financial years, barring any unforeseen circumstances. Overall, the Group remains confident and resilient for upcoming prospects and development of the Group.

**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 had, on behalf of the Board of Directors (“the Board”) of the Company, announced that the Company proposed to establish and implement the proposed 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 had, on behalf of the Board, announced that Bursa Securities had approved the Proposed ESOS.

The shareholders of the Company had approved the above proposal at the Extraordinary General Meeting which was convened on 13 January 2023.

On 12 June 2023, M&A Securities Sdn Bhd had, on behalf of the Board, submitted the final copy of the By-Laws of the ESOS to Bursa Securities, and the effective date of implementation of the ESOS shall be 12 June 2023.

On 31 October 2023, the Company had made its first offer of options under the ESOS to eligible persons to subscribe for total of 10,000,000 new shares in the Company at exercise price of RM0.40 per share, with no vesting period for the said offer.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B6. Income tax expenses**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense <sup>(1)</sup>	1,388	564	1,388	564
Deferred tax expense	-	(130)	-	(130)
<b>Total tax expense</b>	<b>1,388</b>	<b>434</b>	<b>1,388</b>	<b>434</b>
Effective tax rate (%) <sup>(2)</sup>	24.89	26.66	24.89	26.66
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
	<b>17,168</b>	<b>16,475</b>	<b>N/A</b>	

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 30.9.2023	As at 30.6.2023
	RM'000	RM'000
<b>Current:</b>		
Lease liabilities	236	360
Hire purchase payables	623	924
Term loans	522	503
Banker acceptances	6,745	4,193
	<u>8,126</u>	<u>5,980</u>
<b>Non-current:</b>		
Lease liabilities	538	471
Hire purchase payables	1,686	1,590
Term loans	1,197	1,349
	<u>3,421</u>	<u>3,410</u>
<b>Total bank borrowings</b>	<u><b>11,547</b></u>	<u><b>9,390</b></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): 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. MNSB then filed a proof of debt to the Official Receiver as a creditor. Presently, private liquidator, Mr. Khor Yong Yong has been appointed for Montane and has also admitted MNSB's claim of RM1,037,969.99 against Montane.



**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.

In the case management on 27 November 2023, Consent Judgment was entered into by the parties, amongst others, that MNSB shall pay a sum of RM95,000.00 to Telekom as the full and final settlement in which the said sum shall be paid by MNSB to Telekom by 6 monthly instalments commencing from 31 December 2023 till 31 May 2024.

**(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.

MPTSB had on 6 October 2023 filed in the Reply to the Defence and Defence to the Counterclaim. In the Defence and Counterclaim filed by the BVB on 13 September 2023, BVB is claiming inter alia for damages against MPTSB for alleged losses incurred by BVB caused by MPTSB when carrying out works for the Project.

MPTSB contended that BVB's counterclaim is inter alia time barred. In addition to the aforesaid, MPTSB denies BVB's claim as BVB's alleged claims are inter alia without basis.

The matter has been fixed for Case Management on 6 December 2023 and fixed for full trial on 26 – 29 May 2025.

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.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**
**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	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Profit attributable to the owners of the Company (RM'000)	4,152	1,195	4,152	1,195
Weighted average number of ordinary shares ('000)	408,752	408,750	408,751	408,750
Diluted number of ordinary shares ('000)	481,270	408,750	481,270	408,750
Basic EPS (sen) <sup>(1)</sup>	1.02	0.29	1.02	0.29
Diluted EPS (sen) <sup>(2)</sup>	0.86	0.29	0.86	0.29

**Notes:**

*N/A – Not applicable*

- (1) Basic EPS is calculated based on the numbers of ordinary shares of 408,751,500 (30 September 2022: 408,750,000).
- (2) Diluted EPS for the current quarter and year-to-date 30 September 2023 is calculated based on weighted average number of ordinary shares of 481,271,129 and year-to-date ended 30 September 2022 is calculated based on assumed number of shares in issue of 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	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	735	659	735	659
Depreciation of investment properties	4	4	4	4
Depreciation of right-of-use assets	60	101	60	101
Finance costs	174	105	174	105
Net impairment losses on financial assets and contract assets	-	542	-	542
Deposits recovered	(193)	(8)	(193)	(8)
Finance income	(11)	(16)	(11)	(16)
Rental income	(6)	(6)	(6)	(6)

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

**BY ORDER OF THE BOARD**

**MN HOLDINGS BERHAD**

**29 NOVEMBER 2023**