



# **MN HOLDINGS BERHAD**

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

**Interim Financial Report  
For the Quarter and Year-to-date Ended  
30 June 2024**



**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)	(Audited)
		30.6.2024	30.6.2023	30.6.2024	30.6.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	73,435	49,194	254,619	164,452
Cost of sales		(58,483)	(38,549)	(204,179)	(130,686)
<b>Gross profit ("GP")</b>		<b>14,952</b>	<b>10,645</b>	<b>50,440</b>	<b>33,766</b>
Other income		750	194	2,077	972
Administrative expenses		(6,001)	(4,339)	(21,242)	(13,329)
Net impairment on financial assets and contract assets		(617)	(2,143)	(849)	(3,411)
Other expenses		(1,183)	(847)	(3,867)	(4,223)
<b>Profit from operations</b>		<b>7,901</b>	<b>3,510</b>	<b>26,559</b>	<b>13,775</b>
Finance costs		(597)	(216)	(1,426)	(591)
<b>Profit before tax ("PBT")</b>	B12	<b>7,304</b>	<b>3,294</b>	<b>25,133</b>	<b>13,184</b>
Income tax expense	B6	(2,355)	(1,251)	(7,158)	(3,887)
<b>Profit after tax/Total comprehensive income ("PAT")</b>		<b>4,949</b>	<b>2,043</b>	<b>17,975</b>	<b>9,297</b>
<b>Profit after tax / Total comprehensive income attributable to:</b>					
• Owners of the Company		4,956	2,137	17,733	9,502
• Non-controlling interests		(7)	(94)	242	(205)
		4,949	2,043	17,975	9,297
<b>Earnings per share attributable to owners of the Company</b>					
• Basic (sen) <sup>(2)</sup>	B11	1.10	0.52	4.19	2.33
• Diluted (sen) <sup>(3)</sup>	B11	0.83	0.44	3.24	2.07

**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 for the current quarter and financial year-to-date ended 30 June 2024 is calculated based on the weighted average number of ordinary shares of 450,734,283 and 422,833,678 respectively (financial quarter and year-to-date ended 30 June 2023: 408,751,500 and 408,750,091 respectively).
- (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 595,151,131 and 546,713,245 respectively (financial quarter and year-to-date ended 30 June 2023: 485,469,488 and 459,561,268 respectively).

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

	UNAUDITED	AUDITED
	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,425	6,597
Right-of-use assets	645	848
Investment properties	583	598
Deferred tax assets	3,523	3,250
<b>Total non-current assets</b>	<b>12,176</b>	<b>11,293</b>
<b>Current Assets</b>		
Trade and other receivables	56,840	52,524
Contract assets	90,334	61,396
Short-term investment	7,191	1,103
Cash and cash equivalents	41,351	20,521
<b>Total current assets</b>	<b>195,716</b>	<b>135,544</b>
<b>TOTAL ASSETS</b>	<b>207,892</b>	<b>146,837</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	78,319	49,352
Merger deficit	(30,950)	(30,950)
ESOS reserve	1,042	-
Retained profits	70,261	52,528
	118,672	70,930
Non-controlling interest	397	155
<b>Total equity</b>	<b>119,069</b>	<b>71,085</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	3,116	2,061
Loans and borrowings	338	1,349
<b>Total non-current liabilities</b>	<b>3,454</b>	<b>3,410</b>
<b>Current liabilities</b>		
Trade and other payables	57,321	56,559
Contract liabilities	8,064	7,616
Loans and borrowings	14,618	4,696
Lease liabilities	2,231	1,284
Current tax liabilities	3,135	2,187
<b>Total current liabilities</b>	<b>85,369</b>	<b>72,342</b>
<b>TOTAL LIABILITIES</b>	<b>88,823</b>	<b>75,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>207,892</b>	<b>146,837</b>



**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>	455,396	408,752
<b>NET ASSETS PER SHARE (RM) <sup>(2)</sup></b>	0.26	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 455,396,300 shares (30 June 2023: 408,751,500 shares) in issue as at 30 June 2024.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

**MN HOLDINGS BERHAD**

Registration No.: 202001038774 (1395095-M)

Interim Financial Report For The Quarter and Year-to-date Ended 30 June 2024

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

	Share Capital RM'000	Merger Equity RM'000	ESOS Reserve 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>
Issuance of shares	26,184	-	-	-	26,184	-	26,184
Conversion of warrants	2,663	-	-	-	2,663	-	2,663
Employees' Share option expenses	-	-	1,162	-	1,162	-	1,162
Exercise of ESOS Options	120	-	(120)	-	-	-	-
Profit after taxation/Total comprehensive income for the financial year	-	-	-	17,733	17,733	242	17,975
<b>As at 30 June 2024 (Unaudited)</b>	<b>78,319</b>	<b>(30,950)</b>	<b>1,042</b>	<b>70,261</b>	<b>118,672</b>	<b>397</b>	<b>119,069</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>**

	<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2024</b>	<b>30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>25,133</b>	<b>13,184</b>
Adjustments for:		
Depreciation of property, plant and equipment	3,084	2,805
Depreciation of right-of-use assets	401	352
Depreciation of investment properties	15	15
Deposit written-off	191	1,013
Gain on disposal of property, plant and equipment	(8)	-
Impairment losses on financial assets and contract assets	1,037	3,741
Property, plant and equipment written-off	154	-
Reversal on impairment losses on financial assets	(189)	(330)
Share-based compensation expenses	1,161	-
Finance income	(676)	(135)
Finance costs	1,426	591
Unrealised loss on foreign exchange	14	12
Operating profit before working capital changes	<u>31,743</u>	<u>21,248</u>
<b>Changes in working capital</b>		
Change in trade and other receivables and prepayments	(5,356)	(21,964)
Change in trade and other payables	748	17,469
Change in contract assets	(28,938)	(6,646)
Change in contract liabilities	448	(755)
Increase in amount owing to a related party	-	142
Cash from operations	<u>(1,355)</u>	<u>9,494</u>
Net Income tax paid	<u>(6,482)</u>	<u>(4,172)</u>
Net cash (used in)/generated from operating activities	<u><b>(7,837)</b></u>	<u><b>5,322</b></u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(4,065)	(1,781)
Change in fixed deposits pledged	(3,212)	(6,421)
Change in ownership interest in interest in subsidiaries	-	360
Interest income received	676	135
Proceeds from disposal of property, plant and equipment	8	-
Net cash used in investing activities	<u><b>(6,593)</b></u>	<u><b>(7,707)</b></u>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(1,426)	(591)
Proceeds from conversion of warrants	2,663	-
Proceeds from issuance of shares	26,184	-
Proceeds from employee share option exercised	408	-
Net drawdown/(repayment) of loans and borrowings	10,704	(378)
Repayment of lease liabilities	(397)	(340)
Net cash generated from/(used in) financing activities	<u><b>38,136</b></u>	<u><b>(1,309)</b></u>

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

	<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2024</b>	<b>30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	23,706	(3,694)
<b>Cash and cash equivalents at the beginning of the financial year</b>	11,329	15,023
<b>Cash and cash equivalents at the end of the financial year</b>	<b>35,035</b>	<b>11,329</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Fixed deposits with licensed banks	13,507	10,295
Short-term investment	7,191	1,103
Cash and bank balances	27,844	10,226
	48,542	21,624
Less: Pledged deposits	(13,507)	(10,295)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>35,035</b>	<b>11,329</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.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

---

**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) that have been issued by the Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective for the current financial year.

	<b>Effective dates for financial periods beginning on or after</b>
• 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 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
• Amendments of MFRS 121: Lack of Exchangeability	1 January 2025
• Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
• MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
• 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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**



**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.

Exercise of Warrants

The Warrants issued and exercised by registered warrant holders to new ordinary shares are as follows:

No. of Warrants as at 1 July 2023	No. of Warrants exercised	No. of Warrants outstanding as at 30 June 2024
204,373,500	13,311,700	191,061,800

Employees' Shares Option Scheme ("ESOS")

On 31 October 2023, MNHB announced that the Group had made an offer of 10,000,000 options under the ESOS to eligible persons to subscribe for new shares in the Group.

The ESOS option granted and exercised by the eligible persons are as follows:

No. of ESOS Options granted as at 31 October 2023	No. of ESOS Options exercised	No. of ESOS Options lapsed/unexercised	No. of ESOS Options as at 30 June 2024
10,000,000	1,019,100	110,000	8,870,900

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

**A7. Debt and equity securities (cont'd)**

Private placements

During the year, on 29 February 2024 and 5 June 2024, the Group raised RM19.24 million and RM6.53 million, respectively, through the issuance of 32,314,000 and 9,108,300 placement shares at RM0.5955 and RM0.7173 per share, respectively, as part of the proposed private placement.

As at 30 June 2024, the total number of issued shares of the Company was 455,396,300 ordinary shares.

Subsequently, on 1 August 2024, the Group raised RM1.56 million through the issuance of 1,745,700 placement shares at RM0.8950 per share as part of the proposed private placement. With this placement, the Private Placement is deemed complete as of the expiry of the Approval on 1 August 2024.

**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.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

## 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 2024 is as follows:

#### Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	41,813	23,627	116,387	87,635
Substation engineering	31,622	25,567	138,232	76,817
<b>Total</b>	<b>73,435</b>	<b>49,194</b>	<b>254,619</b>	<b>164,452</b>

#### Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Power	66,482	48,953	233,875	163,750
Gas	5,344	244	14,291	538
Sewerage	1,609	(3)	6,453	164
<b>Total</b>	<b>73,435</b>	<b>49,194</b>	<b>254,619</b>	<b>164,452</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.

### 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.

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)**
**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>
	<b>As at</b>	<b>As at</b>
	<b>30.6.2024</b>	<b>30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantee extended to third parties	28,900	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>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2024</b>	<b>30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Advances from a related party	-	-	150	85
Purchases paid or payable to a related party	-	-	21	56
Rental paid or payable to a director	19	19	74	74
Professional fees to a firm in which a director has interest	12	-	26	-
Income from services rendered to a related company	(81)	-	(507)	-

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

## 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	
	30.6.2024	30.6.2023	RM'000	%
	RM'000	RM'000		
Revenue	73,435	49,194	24,241	49
PBT	7,304	3,294	4,010	122

The Group recorded a revenue of RM73.44 million for the current financial quarter ended 30 June 2024 ("4Q2024") compared with RM49.19 million for the previous financial quarter of 30 June 2023 ("4Q2023"), which represents an increase of RM24.25 million or 49% on a year-on-year ("y-o-y") basis.

The Group's revenue was derived mainly from the underground utilities engineering segment and substation engineering segment, which contributed 57% and 43% of the total revenue in 4Q2024 respectively. The overall increase in revenue was mainly contributed from the underground utilities segment, which increased from RM23.63 million in 4Q2023 to RM41.81 million in 4Q2024, an increase of RM18.18 million or 77% on a q-o-q basis.

The Group registered a profit before tax of RM7.30 million in 4Q2024, showing an increase of RM4.01 million compared profit before tax of RM3.29 million recorded in 4Q2023.

The Group achieved a Profit After Tax ("PAT") of RM4.95 million in the current financial quarter, an increase of 143% compared with RM2.04 million PAT in the corresponding quarterly period of the previous year.

The increase revenue and profit of the Group for the financial quarter 30 June 2024 primarily attributed to higher progress in construction activities of major projects undertake from the underground utilities engineering segment. The Group's significant expansion efforts were crucial in boosting these activities, which in turn positively impacted the Group's overall financial performance.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

## 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

	YEAR-TO-DATE ENDED		Variance	
	30.6.2024	30.6.2023	RM'000	%
	RM'000	RM'000		
Revenue	254,619	164,452	90,167	55
PBT	25,133	13,184	11,949	91

The Group recorded a revenue of RM254.62 million for the financial year-to-date ended 30 June 2024 compared with RM164.45 million for the preceding financial year-to-date ended 30 June 2023, an increase of RM90.17 million or 55% y-o-y basis.

The Group's revenue was derived from the underground utilities engineering segment and substation engineering segment, which accounted for 46% and 54% of the total revenue for the year-to-date financial period ended 30 June 2024 respectively. The overall increase in revenue for the Group is mainly contributed from substation engineering segment, which increased from RM76.82 million in the financial year-to-date 30 June 2023 to RM138.23 million in financial year-to-date ended 30 June 2024, marking an increase of RM61.41 million or an increase of 80% on a y-o-y basis.

The Group registered a PBT of RM25.13 million in financial year-to-date ended 30 June 2024, an increase of RM11.94 million from RM13.19 million in the previous corresponding period. The increase in PBT was attributable to an increase in gross profit of the Group from RM33.77 million to RM50.44 million, or an increase of RM16.67million which then offset by the increase in administrative expenses from RM13.33 million to RM21.24 million.

Inclusive in the financial year-to-date ended 30 June 2024 is a one-off share-based compensation expenses of RM 1.16 million. There are also net impairment losses on financial assets and contract assets for the current financial year-to-date ended 30 June 2024 and financial year-to-date ended 30 June 2023 amounting RM0.85 million and RM3.41 million respectively. The normalised profit before tax after adjusting these one-off expenses would be RM27.14 million and RM16.59 million respectively, representing an increase of 64% on a y-o-y basis.

The Group registered a PAT of RM17.98 million in the year-to-date ended 30 June 2024 compared with RM9.30 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	
	30.6.2024	31.3.2024	RM'000	%
	RM'000	RM'000		
Revenue	73,435	51,112	22,323	44
PBT	7,304	6,583	721	11

The Group recorded a revenue of RM73.44 million in the 4Q2024 as compared to RM51.11 million in the preceding quarter ended 31 March 2024 ("**3Q2024**"), representing an increase of RM22.33 million or 44% on a quarter-on-quarter ("**q-o-q**") basis. The increase in revenue as compared with 3Q2024 is mainly derived from the underground utilities segment, which has increased from RM23.20 million in 3Q2024 to RM41.81 million in the 4Q2024, up by 80% on a q-o-q basis. The increase in the underground utilities segment was primarily due to substantial progress on major projects secured by the Group as of that financial quarter.

The Group registered a PBT of RM7.30 million in the 4Q2024, an increase of RM0.72 million or 11% on a q-o-q basis from a PBT of RM6.58 million recorded in the 3Q2024. Both the underground utilities and substation engineering segments saw revenue growth due to increased activity from several key projects secured by the Group during the financial year. This rise in revenue reflects the Group's successful acquisition and execution of significant projects, which led to increased business activity in these segments if compared with the immediate preceding quarter.

### B3. Prospects and outlook

Given the Malaysian government's commitment towards achieving net-zero target by 2050 and the various initiatives led by Tenaga Nasional Berhad ("**TNB**"), the Group is well-positioned to take advantage of the expected capital expenditure in the power sector. The introduction of the National Energy Transition Roadmap ("**NETR**"), the government's expansion of the Corporate Green Power Programme of up to 800MW, and the launch of the Fifth Large Scale Solar ("**LSS5**") program with up to 2GW quota, represent significant opportunities for the Group.

The Group is expected to leverage on these developments by actively participating in new contracts via open tender process. The RM7 billion capital expenditure in estimated engineering, procurement, construction, and commissioning ("**EPCC**") contract works from LSS5 provides vast opportunity to the Group.

Within the growing demand for data centres, the Group has not only successfully completed and significant data centre projects but continues to look at new opportunities within the sector. Our ongoing and forthcoming projects in data centres aligns with this growing market trend, ensuring we stay at the forefront of this dynamic and fast-growing industry.

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

**B3. Prospects and outlook (cont'd)**

The natural gas distribution system in Peninsular Malaysia is undergoing significant expansion. The capital investments in the sector is to enhance the distribution network across the region, supporting the gas projects undertaken by the Group's underground utilities segment. The Group will persist in advancing and optimizing its operational projects within the gas sector.

Water and sewerage are crucial utilities for all new development projects, and the maintenance and replacement of aging pipelines are essential. As a result, companies specializing in underground utilities engineering services are positioned to benefit from capital investments aimed at designing, constructing, installing, repairing, and maintaining water and sewerage infrastructure. The growing demand for clean, treated water, exacerbated by climate change, is placing increasing strain on Malaysia's water resources. The Group anticipates significant growth opportunities in water and sewerage capital expenditure from major utility providers in the sector.

As of the report date, the Group's order book stands at RM611.2 million. These secured contracts are anticipated to drive the Group's earnings over the next two to three financial years, barring any unforeseen circumstances arise. Overall, the Group remains optimistic and confident in its ability to seize future opportunities and to sustain a strong organic growth, both in terms of revenue and profitability.

**B4. Profit Forecast or Profit Guarantee**

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

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**



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

**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:

**I. Private Placement**

On 16 January 2024, M&A Securities Sdn Bhd had, on behalf of the Board, announced to undertake a private placement up to 73,583,700 new ordinary shares in MN Holdings (“**Share(s)**”), representing up to 10% of the total enlarged number of issued ordinary shares in MN Holdings (“**Private Placement**”)

On 2 February 2024, Bursa Securities had approved the listing and quotation of up to 73,583,700 new Shares (“**Placement Share(s)**”) to be issued pursuant to the Private Placement.

On 19 February 2024, M&A Securities Sdn Bhd had, on behalf of the Board, announced that the issue price of the Placement Shares has been fixed at RM0.5955 per Placement Share, which represents a discount of approximately RM0.0657 or 9.94% from the 5-day volume weighted average market price of the Company from 9 February 2024 to 16 February 2024 of RM0.6612 per Share.

On 21 May 2024, M&A Securities Sdn Bhd had, on behalf of the Board, announced that the second tranche issue price of the Private Placement has been fixed at RM0.7173 per Placement Share, which represents a discount of approximately RM0.0795 or 9.98% from the 5-day volume weighted average market price of the Company from 14 May 2024 to 20 May 2024 of RM0.7968 per share.

On 25 July 2024, M&A Securities Sdn Bhd had, on behalf of the Board, announced that the third tranche issue price of the Private Placement has been fixed at RM0.8950 per Placement Share, which represents a discount of approximately RM0.0788 or 8.09% from the 5-day volume weighted average market price of the Company from 18 July 2024 to 24 July 2024 of RM0.9738 per share.

On behalf of the Board of MNHB, M&A Securities is pleased to announce that the approval from Bursa Securities dated 2 February 2024 for the Private Placement had lapsed on 1 August 2024.

The Company had completed the listing of 32,314,000, 9,108,300 and 1,745,700 Placement Shares on 1 March 2024, 5 June 2024 and 1 August 2024, respectively, on the ACE Market of Bursa Securities and the Private Placement is deemed completed upon the expiry of the Approval. The Group has raised total gross proceeds of RM27.33 million from the three tranches of the Private Placement. Details on the utilisation of the proceeds raised from the Private Placement are disclosed in paragraph B7 below.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**
**B5. Status of corporate proposals (cont'd)**

## II. Employees' Shares Option Scheme

On 9 August 2024, the Group wishes to announce that the Group had made an offer of options under the ESOS ("ESOS Options") to eligible persons to subscribe for new shares in the Company under the Company's ESOS.

The number of ESOS options offered are 10,000,000 units and the exercise price of the ESOS option has been fixed at RM0.786 per ESOS option.

**B6. Income tax expenses**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense <sup>(1)</sup>	2,572	1,765	7,430	4,866
Deferred tax expense	(217)	(514)	(272)	(979)
<b>Total tax expense</b>	<b>2,355</b>	<b>1,251</b>	<b>7,158</b>	<b>3,887</b>
Effective tax rate (%) <sup>(2)</sup>	32.25	37.97	28.48	25.73
Statutory tax rate (%)	24.00	24.00	24.00	24.00

**Notes:**

- (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, share-based compensation expenses, professional fees and others for tax purposes.

**B7. Utilisation of proceeds**

## I) From the Private Placement

The gross proceeds raised from the private placement amounted to RM27.339 million. As at the date of this report, the utilisation of proceeds from the Private Placement is as follows: -

<b>Details of utilisation</b>	<b>Proposed utilisation</b>	<b>Re-allocated to working capital</b>	<b>Actual utilisation</b>	<b>Balance available for utilisation</b>	<b>Estimated timeframe for utilisation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Working capital requirements	26,624	499	18,257	8,866	Within 24 months
Private placement expenses	715	(499)	216	-	Immediately
	<b>27,339</b>	<b>-</b>	<b>18,473</b>	<b>8,866</b>	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Company's announcement in relation to the Private Placement dated 16 January 2024.

**B8. Bank borrowings**

The Group's bank borrowings were as follows:

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at 30.6.2024</b>	<b>As at 30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current:</b>		
Lease liabilities	368	360
Hire purchase payables	1,863	924
Term loans	1,012	503
Banker acceptances	9,640	4,193
Trust receipts	3,966	-
	<b>16,849</b>	<b>5,980</b>
<b>Non-current:</b>		
Lease liabilities	265	471
Hire purchase payables	2,851	1,590
Term loans	338	1,349
	<b>3,454</b>	<b>3,410</b>
<b>Total bank borrowings</b>	<b>20,303</b>	<b>9,390</b>

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) 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.

MNPTSB 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 MNPTSB for alleged losses incurred by BVB caused by MNPTSB when carrying out works for the Project.

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

The matter has been fixed for Case Management on 10 September 2024 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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Profit attributable to the owners of the Company (RM'000)	4,956	2,137	17,733	9,502
Weighted average number of ordinary shares ('000)	450,734	408,750	422,834	408,750
Diluted number of ordinary shares ('000)	595,151	485,469	546,713	459,561
Basic EPS (sen) <sup>(1)</sup>	1.10	0.52	4.19	2.32
Diluted EPS (sen) <sup>(2)</sup>	0.83	0.44	3.24	2.13

#### Notes:

N/A – Not applicable

- (1) Basic EPS for the current quarter and financial year to date 30 June 2024 is calculated based on the numbers of ordinary shares of 450,734,283 and 422,833,678 respectively (financial quarter and year to date ended 30 June 2023: 408,751,500 and 408,750,091 respectively).
- (2) Diluted EPS for the current quarter and year-to-date 30 June 2024 is calculated based on weighted average number of ordinary shares of 595,151,531 and 546,713,245 respectively (financial quarter and year to date ended 30 June 2023: 485,469,488 and 459,561,268 respectively).

**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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	730	526	3,084	2,805
Depreciation of investment properties	4	4	15	15
Depreciation of right-of-use assets	221	92	401	352
Deposits written off	191	210	191	1,013
Finance costs	598	216	1,426	591
Property, plant and equipment written-off	-	-	154	-
Net impairment losses on financial assets and contract assets	617	2,143	849	3,411
Share-based compensation expenses	-	-	1,162	-
Deposits recovered	-	-	(251)	-
Finance income	(644)	(50)	(676)	(135)
Gain on disposal of property, plant and equipment	(8)	-	(8)	-
Rental income	(6)	(6)	(23)	(23)

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 2024**