



MN HOLDINGS BERHAD

Registration No.: 202001038774 (1395095-M)

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



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

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		30.9.2024	30.9.2023	30.9.2024	30.9.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	103,106	55,148	103,106	55,148
Cost of sales		(83,109)	(44,248)	(83,109)	(44,248)
Gross profit ("GP")		19,997	10,900	19,997	10,900
Other income		172	496	172	496
Administrative expenses		(7,411)	(4,820)	(7,411)	(4,820)
Net impairment on financial assets and contract assets		(1,817)	-	(1,817)	-
Other expenses		(669)	(803)	(669)	(803)
Profit from operations		10,272	5,773	10,272	5,773
Finance costs		(384)	(199)	(384)	(199)
Profit before tax ("PBT")	B12	9,888	5,574	9,888	5,574
Income tax expense	B6	(2,852)	(1,388)	(2,852)	(1,388)
Profit after tax/Total comprehensive income ("PAT")		7,036	4,186	7,036	4,186
Profit after tax / Total comprehensive income attributable to:					
• Owners of the Company		7,082	4,152	7,082	4,152
• Non-controlling interests		(46)	34	(46)	34
		7,036	4,186	7,036	4,186
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B11	1.49	1.02	1.49	1.02
• Diluted (sen) ⁽³⁾	B11	1.14	0.87	1.14	0.87

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 2024 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 September 2024 is calculated based on the weighted average number of ordinary shares of 475,098,478 (financial quarter and year-to-date ended 30 September 2023: 408,751,500).
- (3) Diluted earnings per share of the Company for the current financial quarter and financial year-to-date ended 30 September 2024 is calculated based on the weighted average numbers of ordinary shares of 619,874,673 (financial quarter and year-to-date ended 30 September 2023: 478,434,515).


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

- (4) Administrative expenses for the financial quarter and year-to-date ended 30 September 2024 included one-off share-based compensation expenses of RM 1.22 million. In addition, there is also net impairment losses on financial assets incurred for the current financial quarter and year-to-date 30 September 2024 of RM1.82 million (Nil – 30 September 2023). For illustration purpose only, the Company's normalised financial performance for the financial quarter and financial year-to-date ended 30 September 2024 and 30 September 2023 after adjusting for the one-off share-based compensation expenses and net impairment losses on financial assets are as follows:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
PBT	9,888	5,574	9,888	5,574
Add: Share-based compensation expenses	1,221	-	1,221	-
Add: Net impairment losses on financial assets	1,817	-	1,817	-
Adjusted PBT	12,926	5,574	12,926	5,574

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.9.2024 RM'000	As at 30.6.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,108	7,425
Right-of-use assets	586	645
Investment properties	579	583
Deferred tax assets	3,867	3,452
Total non-current assets	12,140	12,105
Current Assets		
Trade and other receivables	75,447	55,889
Contract assets	95,100	89,536
Current tax assets	35	25
Short-term investment	7,254	7,191
Cash and cash equivalents	52,277	41,470
Total current assets	230,113	194,111
TOTAL ASSETS	242,253	206,216
EQUITY AND LIABILITIES		
Equity		
Share capital	85,938	78,329
Merger deficit	(30,950)	(30,950)
ESOS reserve	1,234	1,131
Retained profits	76,519	69,437
	132,741	117,947
Non-controlling interest	360	406
Total equity	133,101	118,353
Liabilities		
Non-current liabilities		
Lease liabilities	2,827	3,115
Loans and borrowings	690	850
Total non-current liabilities	3,517	3,965
Current liabilities		
Trade and other payables	69,281	55,912
Contract liabilities	16,280	8,042
Loans and borrowings	13,291	14,226
Lease liabilities	1,970	2,231
Current tax liabilities	4,813	3,487
Total current liabilities	105,635	83,898
TOTAL LIABILITIES	109,152	87,863
TOTAL EQUITY AND LIABILITIES	242,253	206,216



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

Number of shares in issue ('000) after Public Issue⁽²⁾	482,118	464,505
NET ASSETS PER SHARE (RM) ⁽²⁾	0.28	0.25

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 2024 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 482,118,250 shares (30 June 2024: 464,504,600 shares) in issue as at 30 September 2024.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	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
As at 1 July 2023 (Audited)	49,352	(30,950)	-	52,528	70,930	155	71,085
Issuance of shares	25,776	-	-	-	25,776	-	25,776
Conversion of warrants	2,663	-	-	-	2,663	-	2,663
Employees' Share option expenses	-	-	1,275	-	1,275	-	1,275
Exercise of ESOS Options	538	-	(130)	-	408	-	408
ESOS Options Forfeited	-	-	(14)	-	(14)	-	(14)
Profit after taxation/Total comprehensive income for the financial year	-	-	-	16,909	16,909	251	17,160
As at 30 June 2024 (Audited)	78,329	(30,950)	1,131	69,437	117,947	406	118,353
Issuance of shares	1,562	-	-	-	1,562	-	1,562
Conversion of warrants	1,420	-	-	-	1,420	-	1,420
Employees' Share option expenses	-	-	1,221	-	1,221	-	1,221
Exercise of ESOS Options	4,627	-	(1,118)	-	3,509	-	3,509
Profit/(loss) after taxation/Total comprehensive income/(loss) for the financial year	-	-	-	7,082	7,082	(46)	7,036
As at 30 September 2024 (Unaudited)	85,938	(30,950)	1,234	76,519	132,741	360	133,101

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 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	YEAR-TO-DATE ENDED	
	30.9.2024	30.9.2023
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	9,888	5,574
Adjustments for:		
Depreciation of property, plant and equipment	605	735
Depreciation of right-of-use assets	60	60
Depreciation of investment properties	4	4
Impairment losses on financial assets and contract assets	1,817	-
Share-based compensation expenses	1,221	-
Interest expense on lease liabilities	11	11
Finance costs	373	163
Finance income	(108)	(11)
Unrealised gain on foreign exchange	(13)	-
Operating profit before working capital changes	<u>13,858</u>	<u>6,536</u>
Changes in working capital		
Change in trade and other receivables and prepayments	(21,274)	16,695
Change in trade and other payables	13,281	(8,101)
Change in contract assets	(5,564)	(11,110)
Change in contract liabilities	8,238	(1,268)
Cash from operations	<u>8,539</u>	<u>2,752</u>
Net Income tax paid	(1,951)	(858)
Net cash generated from operating activities	<u>6,588</u>	<u>1,894</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(289)	(222)
Change in fixed deposits pledged	(8,399)	694
Interest income received	108	11
Net cash (used in)/from investing activities	<u>(8,580)</u>	<u>483</u>
Cash Flows From Financing Activities		
Interest paid	(384)	(174)
Proceeds from conversion of warrants	1,420	-
Proceeds from issuance of shares	1,562	-
Proceeds from employee share option exercised	3,509	-
Net (repayment)/drawdown of loans and borrowings	(1,466)	2,264
Repayment of lease liabilities	(60)	(305)
Net cash generated from financing activities	<u>4,581</u>	<u>1,785</u>

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

	YEAR-TO-DATE ENDED	
	30.9.2024 RM'000	30.9.2023 RM'000
Net increase in cash and cash equivalents	2,589	4,162
Cash and cash equivalents at the beginning of the financial year	35,035	11,329
Cash and cash equivalents at the end of the financial year	37,624	15,491
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	21,907	10,989
Short-term investment	7,254	1,112
Cash and bank balances	30,370	14,379
	59,531	26,480
Less: Pledged deposits	(21,907)	(10,989)
Cash and cash equivalents in the consolidated statement of cash flows	37,624	15,491

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 2024 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 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. Material accounting policy information

The material accounting policy information 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 2024, except for the following amendments to MFRSs:

Adoption of the following new MFRSs and/or IC interpretations (including The Consequential Amendments)

During the financial period, the Group has adopted the following interpretations and amendments issued by the Malaysian Accounting Standards Board (“MASB”).

	Effective dates for financial periods beginning on or after
• Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
• Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
• Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
• Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group.

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

A2. Material accounting policy information (Cont'd)

New MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of these unaudited condensed consolidated interim financial statements, the following new MFRSs and Amendments to MFRSs were issued but not yet effective and have not been early adopted by the Group.

	<u>Effective dates for financial periods beginning on or after</u>
• Amendments of MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
• Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS107: <i>Annual Improvements to MFRS Accounting Standards—Volume 11</i>	1 January 2026
• Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
• MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
• MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
• Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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.

A3. Auditors' report on preceding annual financial statements

There was no qualification on the audited financial statements for the financial year ended 30 June 2024 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.

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

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.

Warrants

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

No. of warrants as at 1 July 2024	No. of warrants exercised	No. of warrants outstanding as at 30 September 2024
191,061,800	7,097,050	183,964,750

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 as at 1 July 2024	No. of ESOS options exercised	No. of ESOS options lapsed/unexercised	No. of ESOS options as at 30 September 2024
8,870,900	8,770,900	-	100,000

On 9 August 2024, MNHB announced that the Group had made another 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 9 August 2024	No. of ESOS options exercised	No. of ESOS options lapsed/unexercised	No. of ESOS options as at 30 September 2024
10,000,000	-	-	10,000,000

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 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.

As at 30 September 2024, the total number of issued shares of the Company was 482,118,250 ordinary shares.

A8. Dividend

On 25 November 2024, the Company declared an interim single tier dividend of 0.15 sen per ordinary share amounting to RM0.72 million in respect of the financial year ending 30 June 2025, payable on 22 January 2025 to shareholders of the Company whose name appear in the Record of Depositors on 24 December 2024.

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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 2024 is as follows:

Analysis of revenue by business segments

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Underground utilities engineering	54,054	25,062	54,054	25,062
Substation engineering	49,052	30,086	49,052	30,086
Total	103,106	55,148	103,106	55,148

Analysis of revenue by customers' industry

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Power	95,919	52,326	95,919	52,326
Gas	5,454	2,285	5,454	2,285
Sewerage	1,733	537	1,733	537
Total	103,106	55,148	103,106	55,148

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 during the current financial quarter under review.

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As at	As at
	30.9.2024	30.6.2024
	RM'000	RM'000
Performance guarantee extended to third parties	33,362	30,789

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>	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Rental paid or payable to a director	19	19	19	19
Professional fees paid to a firm in which a director has interest	-	5	-	5
Income received from services rendered to a related company	582	-	582	-

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	
	30.9.2024	30.9.2023	RM'000	%
	RM'000	RM'000		
Revenue	103,106	55,148	47,958	87
PBT	9,888	5,574	4,314	77

The Group recorded a revenue of RM103.11 million for the current financial quarter ended 30 September 2024 ("**1Q2025**") compared with RM55.15 million for the previous financial quarter of 30 September 2023 ("**1Q2024**"), which represents an increase of RM47.96 million or 87% 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 52% and 48% of the total revenue in 1Q2025 respectively. The overall increase in revenue was mainly contributed from the underground utilities segment, which increased from RM25.06 million in 1Q2024 to RM54.06 million in 1Q2025, an increase of RM29.00 million or 116% on a y-o-y basis.

The Group registered a profit before tax of RM9.89 million in 1Q2025, showing an increase of RM4.32 million or 77% compared profit before tax of RM5.57 million recorded in 1Q2024.

The Group achieved a Profit After Tax ("**PAT**") of RM7.04 million in the current financial quarter, an increase of 70% compared with RM4.19 million PAT in the corresponding quarterly period of the previous year.

Inclusive in the financial year-to-date ended 30 September 2024 is a one-off share-based compensation expenses of RM1.22 million. There are also net impairment losses on financial assets for the current financial year-to-date ended 30 September 2024 amounting RM1.82 million (1Q2024 - Nil). The normalised profit before tax after adjusting these one-off expenses would be RM12.93 million, representing an increase of 132% on a y-o-y basis.

The increase in revenue and profit for the Group for the financial quarter ending 30 September 2024 is mainly due to the accelerated progress in construction activities of major projects within both the underground utilities and substation engineering segment. The Group's strategic expansion initiatives were pivotal in driving these activities, which significantly contributed to the overall improvement in financial performance.

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

B2. Comparison with immediate preceding quarter's results

	QUARTER ENDED		Variance	
	30.9.2024	30.6.2024	RM'000	%
	RM'000	RM'000		
Revenue	103,106	73,435	29,671	40
PBT	9,888	7,304	2,584	35

The Group recorded a revenue of RM103.11 million in the 4Q2024 as compared to RM73.44 million in the preceding quarter ended 30 June 2024 (“4Q2024”), representing an increase of RM29.67 million or 40% on a quarter-on-quarter (“q-o-q”) basis. The increase in revenue as compared with 4Q2024 is mainly derived from the substation engineering segment, which has increased from RM31.62 million in 4Q2024 to RM49.05 million in the 1Q2025, up by 55% on a q-o-q basis. The increase in the substation engineering 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 RM9.89 million in the 1Q2025, an increase of RM2.59 million or 35% on a q-o-q basis from a PBT of RM7.30 million recorded in the 4Q2024. Excluding the share-based compensation expenses and the net impairment losses on financial assets of RM1.22 million (4Q2024 - Nil) and RM1.82 million (4Q2024 - RM1.18 million), the adjusted PBT would have been RM12.93 million and RM8.48 million respectively, an increase of RM4.45 million or 52% if compared with the immediate preceding quarter 4Q2024.

Both the underground utilities and substation engineering segments experienced revenue growth driven by heightened activity from several key projects secured by the Group during the financial year. This increase in revenue highlights the Group's success in acquiring and executing significant projects, resulting in greater business activity in these segments compared to the immediate preceding quarter.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**B3. Prospects and outlook**

Given the Malaysian government's commitment to achieving a net-zero target by 2050, the Group is well-positioned to capitalize on the expected capital expenditure in the power sector. The introduction of the National Energy Transition Roadmap ("NETR") has paved the way for several key programs, including the Corporate Green Power Programme ("CGPP"), the Corporate Renewable Energy Supply Scheme ("CRESS"), and the launch of the Fifth Large Scale Solar ("LSS5") program, which offers a total quota of up to 2GW. These initiatives present significant growth opportunities for the Group, positioning it to play a key role in Malaysia's transition to a sustainable energy future.

The Group is well-positioned to leverage on the rapid growth in key infrastructure sectors, particularly in the expanding data centre market. Having successfully completed several major projects, the Group is committed to staying ahead of the curve by continuously exploring new opportunities. This proactive approach aligns with the growing demand for data centres reinforcing the Group's commitment to remaining at the forefront of this vital sector.

In addition, the natural gas distribution system in Peninsular Malaysia is also in expansion phase, with significant capital investments being directed towards enhancing the distribution network. This expansion supports the Group's ongoing gas-related projects within its underground utilities segment. The Group will continue to focus on advancing these projects and optimizing its operations in the gas sector to meet growing regional energy demands.

In the water and sewerage utilities sector, the Group recognizes the essential need for maintaining and upgrading aging infrastructure while meeting the demand for clean treated water. The growing pressures on Malaysia's water resources, intensified by climate change, present an opportunity for companies specializing in underground utilities engineering. The Group is poised to benefit from the capital investments in designing, constructing, and maintaining water and sewerage systems, and anticipates substantial growth in water and sewerage capital expenditure from utility providers, ensuring its continued success in this vital sector.

As of the report date, the Group's order book stands at RM601.05 million. These secured contracts are expected to contribute significantly to the Group's earnings over the next two to three financial years, barring any unforeseen challenges. The Group remains confident in its ability to leverage future opportunities and sustain robust organic growth, driving both 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.

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense ⁽¹⁾	3,267	1,388	3,267	1,388
Deferred tax expense	(415)	-	(415)	-
Total tax expense	2,852	1,388	2,852	1,388
Effective tax rate (%) ⁽²⁾	28.84	24.89	28.84	24.89
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.

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B7. Utilisation of proceeds

l) 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: -

Details of utilisation	Proposed utilisation	Re-allocated to working capital	Actual utilisation	Balance available for utilisation	Estimated timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
Working capital requirements	26,624	499	19,257	7,866	Within 24 months
Private placement expenses	715	(499)	216	-	Immediately
	27,339	-	19,473	7,866	

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:

	UNAUDITED	AUDITED
	As at 30.9.2024	As at 30.6.2024
	RM'000	RM'000
Current:		
Lease liabilities	382	368
Hire purchase payables	1,588	1,863
Term loans	524	501
Banker acceptances	5,818	9,640
Trust receipts	6,949	3,966
Bank overdraft	-	119
	15,261	16,457
Non-current:		
Lease liabilities	192	264
Hire purchase payables	2,635	2,851
Term loans	690	850
	3,517	3,965
Total bank borrowings	18,778	20,422

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 17 December 2024 and fixed for full trial on 19 – 22 January 2026.

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

On 25 November 2024, the Company declared an interim single tier dividend of 0.15 sen per ordinary share amounting to RM0.72 million in respect of the financial year ending 30 June 2025, payable on 22 January 2025 to shareholders of the Company whose name appear in the Record of Depositors on 24 December 2024.

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Profit attributable to the owners of the Company (RM'000)	7,082	4,152	7,082	4,152
Weighted average number of ordinary shares ('000)	475,098	408,752	475,098	408,752
Diluted number of ordinary shares ('000)	619,875	478,435	619,875	478,435
Basic EPS (sen) ⁽¹⁾	1.49	1.02	1.49	1.02
Diluted EPS (sen) ⁽²⁾	1.14	0.87	1.14	0.87

Notes:

N/A – Not applicable

- (1) Basic EPS for the current quarter and financial year to date 30 September 2024 is calculated based on the numbers of ordinary shares of 475,098,478 (financial quarter and year to date ended 30 September 2023: 408,751,500).
- (2) Diluted EPS for the current quarter and year-to-date 30 September 2024 is calculated based on weighted average number of ordinary shares of 619,874,673 (financial quarter and year to date ended 30 September 2023: 478,434,515).

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	605	735	605	735
Depreciation of investment properties	4	4	4	4
Depreciation of right-of-use assets	60	60	60	60
Finance costs	384	174	384	174
Net impairment losses on financial assets and contract assets	1,817	-	1,817	-
Share-based compensation expenses	1,221	-	1,221	-
Deposits recovered	-	(193)	-	(193)
Finance income	(108)	(11)	(108)	(11)
Rental income	(6)	(6)	(6)	(6)
Unrealised gain on foreign exchange	(13)	-	(13)	-

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

BY ORDER OF THE BOARD

MN HOLDINGS BERHAD

25 NOVEMBER 2024