



MGB BERHAD

Registration No. 200201021504 (589167-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Individual Quarter		Cumulative Period		
	Current Year Quarter Ended 30-Sep-22 (Unaudited) RM'000	Preceding Year Quarter Ended 30-Sep-21 (Unaudited) RM'000	Current Year To Date Ended 30-Sep-22 (Unaudited) RM'000	Preceding Year To Date Ended 30-Sep-21 (Unaudited) RM'000	
Revenue	154,878	111,116	467,219	405,208	
Cost of sales	(133,134)	(91,859)	(401,478)	(338,530)	
Gross profit	21,744	19,257	65,741	66,678	
Interest income	173	110	340	259	
Other income	430	210	1,489	1,018	
Operating expenses	(15,812)	(14,123)	(44,833)	(39,115)	
Finance costs	(1,437)	(1,059)	(4,141)	(4,128)	
Share of profit/(loss) of associates (net of tax)	34	(54)	199	107	
Profit before tax	5,132	4,341	18,795	24,819	
Taxation	(1,713)	(2,327)	(8,392)	(8,642)	
Profit after tax for the financial period	3,419	2,014	10,403	16,177	
Other comprehensive income for the financial period	-	-	-	-	
Total comprehensive income for the financial period	3,419	2,014	10,403	16,177	
Profit/(Loss) for the financial period attributable to:					
Owners of the parent	3,765	2,088	11,380	16,492	
Non-controlling interests	(346)	(74)	(977)	(315)	
	3,419	2,014	10,403	16,177	
Total comprehensive income/(loss) for the financial period attributable to:					
Owners of the parent	3,765	2,088	11,380	16,492	
Non-controlling interests	(346)	(74)	(977)	(315)	
	3,419	2,014	10,403	16,177	
Earnings per share attributable to owners of the parent:					
Basic (Sen)	B10	0.64	0.42	1.92	3.29
Diluted (Sen)	B10	0.64	0.35	1.92	2.79

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	22,640	23,982
Right-of-use assets ("ROU")	A9	82,443	85,598
Investment properties		38,328	38,990
Investment in associates		402	435
Goodwill on consolidation		254,695	254,695
Deferred tax assets		703	666
		399,211	404,366
Current Assets			
Inventories		74,264	67,432
Contract assets		48,934	80,743
Trade receivables		51,042	41,841
Other receivables		23,157	17,086
Amounts due from related companies		249,643	280,433
Amount due from an associate		-	7
Tax recoverable		3,341	3,060
Fixed deposits with licensed banks		7,604	5,670
Cash held under Housing Development Accounts		20,672	23,775
Cash and bank balances		61,278	13,653
		539,935	533,700
TOTAL ASSETS		939,146	938,066

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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 SEPTEMBER 2022 (cont'd)

	Note	30 September 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent:			
Share capital		388,186	388,186
Asset revaluation reserve		4,052	4,165
Other reserve		(1,684)	(1,684)
Retained earnings		113,114	107,035
		503,668	497,702
Non-controlling interests		(791)	186
Total Equity		502,877	497,888
<u>LIABILITIES</u>			
Non-current Liabilities			
Loans and borrowings	B7	46,303	17,273
Lease liabilities	B7	9,560	16,579
Deferred tax liabilities		3,439	2,715
		59,302	36,567
Current Liabilities			
Trade payables		222,672	260,427
Contract liabilities		30,844	40,471
Amounts due to related companies		5,250	5,277
Other payables		50,652	41,686
Amount due to an associate		17	66
Bank overdrafts	B7	-	4,982
Loans and borrowings	B7	54,497	35,473
Lease liabilities	B7	12,464	12,277
Tax payable		571	2,952
		376,967	403,611
Total Liabilities		436,269	440,178
TOTAL EQUITY AND LIABILITIES		939,146	938,066
Net assets per share attributable to owners of the parent (RM)		0.85	0.84

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<-----Attributable to owners of the parent----->						
	<-----Non-Distributable----->			Distributable			
Group	Share Capital RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2022	388,186	4,165	(1,684)	107,035	497,702	186	497,888
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period	-	-	-	11,380	11,380	(977)	10,403
Realisation of asset revaluation reserve	-	(113)	-	113	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(5,414)	(5,414)	-	(5,414)
At 30 September 2022	388,186	4,052	(1,684)	113,114	503,668	(791)	502,877

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (cont'd)**

	<-----Attributable to owners of the parent----->							
	<-----Non-Distributable----->				Distributable			
	Share Capital RM'000	ICPS RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Group								
At 1 January 2021								
- as previously reported	327,886	60,300	4,316	(1,684)	79,846	470,664	692	471,356
- effect of adoption of IFRIC Agenda Decision	-	-	-	-	4	4	-	4
At 1 January 2021 (restated)	327,886	60,300	4,316	(1,684)	79,850	470,668	692	471,360
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period	-	-	-	-	16,492	16,492	(315)	16,177
Realisation of asset revaluation reserve	-	-	(113)	-	113	-	-	-
At 30 September 2021	327,886	60,300	4,203	(1,684)	96,455	487,160	377	487,537

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	As at 30-Sep-22 RM'000 (Unaudited)	As at 30-Sep-21 RM'000 (Unaudited)
Profit before tax	18,795	24,819
Adjustments for:		
Amortisation of intangible assets	-	317
Depreciation of		
- PPE	5,153	4,937
- Investment properties	661	661
- ROU	5,854	5,699
Finance costs	4,141	4,128
Impairment losses on:		
- trade receivables	326	5
- related companies	23	3
Reversal of impairment losses on:		
- trade receivables	(19)	(130)
- an associate	(34)	-
- amounts due from related companies	-	(23)
Goodwill written off	44	-
Loss on disposal of PPE	2	36
Interest income	(340)	(259)
Gain on disposal of a subsidiary company	(599)	-
Loss on disposal of an associate	41	-
Share of profit of associates (net of tax)	(199)	(107)
Operating profit before working capital changes	33,849	40,086
Changes in working capital:		
Inventories	(6,832)	(2,175)
Receivables	(12,737)	9,045
Payables	(33,090)	(32,769)
Contract assets and contract liabilities	22,182	(23,957)
Related companies	30,740	57,981
Associate	(42)	34
	221	8,159
Cash generated from operations	34,070	48,245
Interest paid	(4,300)	(4,292)
Interest income	340	259
Income tax paid	(10,368)	(6,331)
	(14,328)	(10,364)
Net cash generated from operating activities	19,742	37,881

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (cont'd)

	As at 30-Sep-22 RM'000 (Unaudited)	As at 30-Sep-21 RM'000 (Unaudited)
Cash flows used in investing activities		
Net cash inflow from disposal of a subsidiary company	747	-
Net cash outflow from acquisition of a subsidiary company	(941)	-
Purchase of:		
-PPE	(1,151)	(2,720)
-ROU	(492)	(779)
Proceeds from disposal of PPE	132	66
Proceeds from disposal of an associate	45	-
Dividends received from an associate	180	150
Net cash used in investing activities	(1,480)	(3,283)
Cash flows from/(used in) financing activities		
Drawdown of bank borrowings	126,149	123,432
Increase of fixed deposits pledged	(1,762)	(2,011)
Repayment of lease liabilities	(9,625)	(9,769)
Repayment of bank borrowings	(77,934)	(175,053)
Dividends paid	(5,414)	-
Net cash generated from/(used in) financing activities	31,414	(63,401)
Net increase/(decrease) in cash and cash equivalents	49,676	(28,803)
Cash and cash equivalents at the beginning of the financial period	32,446	62,710
Cash and cash equivalents at the end of the financial period	82,122	33,907
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	61,278	7,668
Cash held under Housing Development Accounts	20,672	29,281
Fixed deposits with licensed banks	7,604	5,648
Bank overdrafts	-	(3,042)
	89,554	39,555
Less: Fixed deposits pledged with licensed banks	(7,432)	(5,648)
	82,122	33,907

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A1. Basis of Preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of MGB Berhad ("the Company") and all its subsidiary companies (collectively known as "the Group") since the financial year ended 31 December 2021.

Basis of Accounting

The financial information has been prepared on the historical cost convention and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2021 except for the adoption of the following:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Annual Improvement to MFRSs Standards 2018-2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The initial application of the abovementioned new standards and amendments to standards did not have significant impacts on the financial statements of the Group and of the Company.

A2. Changes in Accounting Policies (Cont'd)

Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board which are not yet effective for the Group. The Group intends to adopt the below mentioned new standards and amendments to standards when they become effective.

		<u>Effective date for financial periods beginning on or after</u>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – comparative information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	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 10 and MFRS 128	Sale or Contribution of Assets between an Investors and its Associates or Joint Venture	Deferred until further notice

The adoption of the abovementioned new standards and amendments to standards when they become effective are not expected to have significant impact on the financial statements of the Group and of the Company.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

A4. Segmental Information

The Group's reporting segments as described below are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The following summarised the operations in each of the Group's reportable segment:

- (i) Construction and trading – Design and build, civil engineering, general construction, piling activities, management consultancy activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast products.
- (ii) Property development – Development of residential and commercial properties.
- (iii) Others - Investment holding and dormant.

A4. Segmental Information (Cont'd)

30 September 2022 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	484,026	17,363	-	501,389
Less: Inter-segment revenue	(34,170)	-	-	(34,170)
Revenue from external customers	449,856	17,363	-	467,219
Results				
Interest income	187	153	-	340
Finance costs	(3,377)	(244)	(520)	(4,141)
Depreciation	(11,537)	(101)	(30)	(11,668)
Share of profit of associates (net of tax)	199	-	-	199
Segment profit/(loss) before tax	19,035	1,040	(1,280)	18,795
Taxation				(8,392)
Profit after tax				10,403
Other non-cash items				
Gain on disposal of a subsidiary company	(599)	-	-	(599)
Reversal of impairment losses on an associate	(34)	-	-	(34)
Loss on disposal of PPE	2	-	-	2
Loss on disposal of an associate	41	-	-	41
Impairment losses on receivables (net)	290	40	-	330
Goodwill written off	-	-	44	44
Assets				
Additions to non-current assets	6,538	105	-	6,643
Segment assets	546,356	137,266	255,524	939,146
Liabilities				
Segment liabilities	375,247	46,829	14,193	436,269

A4. Segmental Information (Cont'd)

30 September 2021 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	422,303	15,127	-	437,430
Less: Inter-segment revenue	(32,222)	-	-	(32,222)
Revenue from external customers	390,081	15,127	-	405,208
Results				
Interest income	126	132	1	259
Finance costs	(3,544)	(324)	(260)	(4,128)
Depreciation	(11,231)	(25)	(41)	(11,297)
Amortisation of intangible assets	-	-	(317)	(317)
Share of profit of associates (net of tax)	107	-	-	107
Segment profit/(loss) before tax	24,250	2,058	(1,489)	24,819
Taxation				(8,642)
Profit after tax				16,177
Other non-cash items				
Loss on disposal of PPE	36	-	-	36
Reversal of impairment losses on receivables (net)	(15)	(130)	-	(145)
Assets				
Additions to non-current assets	8,476	-	-	8,476
Segment assets	543,208	76,508	255,626	875,342
Liabilities				
Segment liabilities	357,476	16,918	13,411	387,805

A4. Segmental Information (Cont'd)

Segmental Performance (financial period ended 30 September 2022 against financial period ended 30 September 2021)

Construction and Trading

For the nine-month period ended under review (YTD FY 2022), the construction segment recorded revenue of RM449.86 million, RM59.78 million higher compared to the preceding year (YTD FY 2021) of RM390.08 million. The increase in revenue mainly contributed by projects such as Residensi Bintang and Mercuri Jalil at Bukit Jalil.

Despite higher revenue, the segment Profit Before Tax ("PBT") for the nine-month period ended was RM19.04 million compared to the preceding year RM24.25 million. The decrease of RM5.21 million is affected by material prices and labour shortages.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM19.59 million generated in current financial period.

Should the manufacturing and trading of precast products business contribute external revenue and profit in the future, it shall be reported separately as an individual reportable segment.

Property Development

For the nine-month period ended under review (YTD FY 2022), the property development segment recorded revenue of RM17.36 million, RM2.23 million higher compared to the preceding year (YTD FY 2021) of RM15.13 million. This mainly contributed by the newly launched project of Laman Bayu Phase 3 and Phase 4 recorded revenue with 87% have been sold with project completion of 42.36% as at September 2022 while Laman Bayu Phase 2 has substantially completed and inspected as at July 2021, thus reducing in contribution in previous corresponding period.

The segment Profit Before Tax ("PBT") for the nine-month period ended was RM1.04 million compared to the preceding year RM2.06 million.

Others

The segment reported losses of approximately RM1.28 million in current financial period against RM1.49 million of losses in the preceding year.

The loss reduced due to no amortisation expenses of intangible asset as it has fully amortised in the previous year.

A5. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual of their nature, size or incidence during the current quarter under review.

A6. Material Changes in Estimates

There were no material changes in estimates used for the preparation of the interim financial report.

A7. Seasonal or Cyclical Factors

The operations of the Group during the current financial quarter under review were not materially affected by any significant seasonal or cyclical factors.

A8. Dividends Paid

	RM'000
In respect of the financial year ended 31 December 2021:	
- Interim dividend of RM0.00422 per ordinary share, paid on 30 March 2022	2,497
- Final dividend of RM0.00493 per ordinary share, paid on 20 July 2022	<u>2,917</u>
Total dividends paid as at 30 September 2022	<u>5,414</u>

A9. Valuation of PPE and ROU

There were no valuation of PPE and ROU carried out during the current quarter under review.

Included in the ROU are leasehold lands and buildings that are stated at revalued amount less accumulated depreciation and accumulated impairment losses.

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A10. Debts and Equity Securities

There was no issue, repurchase and repayment of debt and equity securities during the financial period.

A11. Changes in Composition of the Group

On 25 July 2022, MGB Land Sdn. Bhd., being the wholly-owned subsidiary of the Company, acquired one million (1,000,000) ordinary shares representing 100% equity interest in Retro Court Sdn. Bhd. (“**RCSB**”) for a total cash consideration of Ringgit Malaysia nine hundred and seventy-three thousand (RM973,000) only. Consequently, RCSB became an indirect wholly-owned subsidiary company of the Company.

Saved as disclosed above, there were no other changes in the composition of the Group during the current quarter.

A12. Capital Commitments

Total capital commitments of the Group comprised of the followings:

	As at 30-Sep-22 RM'000	As at 30-Sep-21 RM'000
<u>Authorised and contracted for :</u>		
Joint Venture Agreement for		
- Settlement units to landowner	-	40,000
Purchase Order for		
- Interior design and renovation works	282	43

A13. Subsequent Events

There were no subsequent events as at 10 November 2022, being the latest practicable date (“**LPD**”), which shall not be earlier than 7 days from the date of issuance of this interim financial report.

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A14. Changes in Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

	As at 30-Sep-22	As at 30-Sep-21
	RM'000	RM'000
Bank guarantees issued for:		
- Construction Contracts	-	72
- Property Development	2,682	2,442
	2,682	2,514

(b) Contingent Assets

There were no contingent assets as at the current financial period.

A15. Significant Related Party Transactions

The transactions with companies in which certain Directors are common directors and/or have interest or deemed interest for the current financial period were summarised as follows:

	As at 30-Sep-22	As at 30-Sep-21
	RM'000	RM'000
Income		
Contract revenue	453,870	340,662
Expenses		
Dividends paid	4,019	-
Purchase of materials	-	4,609
Rental expenses paid/payable	149	141
Interest expenses paid/payable	-	1
	-	1

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of Group Performance

	Individual Quarter				Cumulative Period			
	Current Year	Preceding	Variance		Current Year	Preceding	Variance	
	Quarter	Year Quarter			To Date	Year To Date		
Ended	Ended	RM'000	%	Ended	Ended	RM'000	%	
	30-Sep-22	30-Sep-21	RM'000	%	30-Sep-22	30-Sep-21	RM'000	%
Revenue	154,878	111,116	43,762	39.38%	467,219	405,208	62,011	15.30%
Profit before tax ("PBT")	5,132	4,341	791	18.22%	18,795	24,819	(6,024)	-24.27%
Profit after tax ("PAT")	3,419	2,014	1,405	69.76%	10,403	16,177	(5,774)	-35.69%

Individual Quarter

The Group achieved revenue of RM154.88 million in current financial period which representing RM43.76 million or 39.38% higher as compared to the corresponding period of preceding year.

The movement of the revenue mainly attributable to the increase recorded in construction segment of approximately RM35.84 million and property development segment of approximately RM7.92 million.

Cumulative Period

For the cumulative financial period ended 30 September 2022, the Group recorded revenue of approximately RM467.22 million, representing an increase of approximately RM62.01 million compared to the preceding year.

As explained under Note A4, construction and trading segment remained the Group's main revenue contributor. Construction segment revenue increased by RM59.78 million and Property Development segment revenue increased by RM2.23 million.

The Group's total assets and total liabilities stood at RM939.15 million and RM436.27 million respectively as at 30 September 2022. Assets of approximately RM546.36 million or 58.18% and liabilities of RM375.25 million or 86.01% were from the construction and trading segment.

B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 30-Sep-22	Immediate Preceding Quarter Ended 30-Jun-22	Variance	
	RM'000	RM'000	RM'000	%
Revenue	154,878	133,750	21,128	15.80%
Profit before tax ("PBT")	5,132	2,430	2,702	111.19%
Profit after tax ("PAT")	3,419	168	3,251	1935.12%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an increase of approximately RM16.1 million and property development segment of approximately RM5.0 million. PBT and PAT improved by RM2.7 million and RM3.3 million respectively as compared to immediate preceding quarter mainly due to reversal of accrued cost.

B3. Prospects for the Year

While economic recovery is underway, the construction and property division are remained challenge due to both domestic and international factors such as labour shortage, increased in building material cost and increased in OPR rate in May 2022, July 2022 and September 2022. The Russia-Ukraine conflict and China's Zero Covid-19 policy have contributed to global supply chain disruptions.

Despite the challenges faced, the Group is staying intact with its core objective in constructing and developing affordable housing under "Rumah Selangorku Idaman" scheme for year 2022 by the Selangor State Government. Through MGB's Value Driven Technology ("VaDTech") approach, we hope to develop innovative approaches for clients focusing to be cost effective and faster to market. With vigilant cost control and sensitivity to the market evolvement from time to time, MGB strike to achieve optimum outcome out of the uncertainties.

Underpinned by existing orderbook of approximately RM2.12 billion, this would contribute positively to current year earnings. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group will perform satisfactorily in year 2022.

B4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued by the Group to the public.

B5. Taxation

The effective tax rate was higher than the statutory tax rate of 24% as certain expenses were disallowed for tax deduction under income tax regulations.

	Current Quarter 30-Sep-22 RM'000	Current Year to Date 30-Sep-22 RM'000
Income Tax:		
- Current year	2,641	8,548
- Prior year	(843)	(843)
	1,798	7,705
 Deferred Tax:		
- Current year	51	606
- Prior year	(136)	81
	1,713	8,392
Total Taxation	1,713	8,392

B6. Status of Corporate Proposals Announced

Saved as disclosed below, there were no corporate proposals announced that are yet to be completed as at LPD.

- (a) On 24 January 2020, the Consortium together with Idaman Living Sdn. Bhd., an indirect wholly-owned subsidiary of the Company had entered into a Development Rights Agreement with Solid Benefit Sdn. Bhd. and Eco Green City Sdn. Bhd. to develop all that piece of ninety-nine (99) years leasehold land expiring on 1 February 2104 held under PN 116631 Lot 120760 (previously held under H.S.(D) 43589, PT 54535) in Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 4.882 hectares into affordable homes under Rumah Selangorku Idaman scheme ("Proposed DRA"). The Proposed DRA has not been completed as the conditions precedent therein have not been complied.
- (b) On 24 January 2020, the Consortium together with Idaman Aktif Sdn. Bhd., an indirect wholly owned subsidiary of the Company had entered into a Joint Venture Agreement with Abadi Man Nien Sdn. Bhd. to jointly develop all that two (2) pieces of leasehold lands of ninety-nine (99) years, both expiring on 14 May 2091 held under H.S.(M) 22704, PT 49907, Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 8,743 square meters and H.S.(M) 22705, PT 49908, Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 15,769 square meters into affordable housing homes under Rumah Selangorku Idaman scheme ("Proposed JVA"). The Proposed JVA has not been completed as the conditions precedent therein have not been complied.

B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 30-Sep-22 RM'000 (Unaudited)
Secured	
Term loans	55,103
Revolving credits	43,900
Trade services	1,797
Lease liabilities	22,024
Total	122,824
 Current	
Term loans	8,800
Revolving credits	43,900
Trade services	1,797
Lease liabilities	12,464
Total	66,961
 Non-current	
Term loans	46,303
Lease liabilities	9,560
Total	55,863

All borrowings were dominated in Ringgit Malaysia (“RM”).

B8. Changes in Material Litigation

There was no material litigation as at LPD, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividends Declared

No dividend has been declared for the current quarter under review and the financial period.

B10. Earnings Per Share (“EPS”)

Basic EPS

The calculation of the basic earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to Date Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Profit attributable to owners of the parent (RM'000)	3,765	2,088	11,380	16,492
Weighted average number of ordinary shares in issue ('000)	591,653	501,653	591,653	501,653
Basic EPS (Sen)	0.64	0.42	1.92	3.29

Diluted EPS

The calculation of the diluted earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining option under warrants, adjusted for the number of such shares that would have been issued at fair value:

	Current Quarter Ended		Year to Date Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Profit attributable to owners of the parent (RM'000)	3,765	2,088	11,380	16,492
Weighted average number of ordinary shares in issue ('000)	591,653	501,653	591,653	501,653
Effect of conversion of ICPS ('000)	-	90,000	-	90,000
	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	0.64	0.35	1.92	2.79

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B11. Notes to the condensed consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Quarter Ended 30-Sep-22 RM'000	Current Year To Date Ended 30-Sep-22 RM'000
Interest income	(173)	(340)
Gain on disposal of a subsidiary company	-	(599)
Rental income	(90)	(210)
Reversal of impairment losses on receivables	3	(19)
Reversal of impairment losses on an associates	-	(34)
Loss on disposal of PPE	22	2
Loss on disposal of an associate	-	41
Impairment losses on receivables	275	349
Goodwill written off	44	44
Depreciation of investment properties	220	661
Depreciation of PPE	1,757	5,153
Depreciation of ROU	1,995	5,854
Finance costs	1,437	4,141

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 17 November 2022.

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