



## **MGB BERHAD**

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

### **INTERIM FINANCIAL REPORT 31 DECEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
- FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Individual Quarter		Cumulative Year		
	Current Year Quarter Ended 31-Dec-22 (Unaudited) RM'000	Preceding Year Quarter Ended 31-Dec-21 (Audited) RM'000	Current Year To Date Ended 31-Dec-22 (Unaudited) RM'000	Preceding Year To Date Ended 31-Dec-21 (Audited) RM'000	
Revenue	143,330	188,551	610,549	593,759	
Cost of sales	(120,478)	(158,251)	(521,956)	(496,781)	
Gross profit	22,852	30,300	88,593	96,978	
Interest income	308	75	648	334	
Other income	160	775	1,649	1,793	
Operating expenses	(15,270)	(14,724)	(60,103)	(53,839)	
Finance costs	(1,367)	(1,408)	(5,508)	(5,536)	
Share of profit of associates (net of tax)	31	140	230	247	
Profit before tax	6,714	15,158	25,509	39,977	
Taxation	(3,243)	(4,758)	(11,635)	(13,400)	
Profit after tax for the financial year	3,471	10,400	13,874	26,577	
Other comprehensive income for the financial year	-	-	-	-	
Total comprehensive income for the financial year	<b>3,471</b>	<b>10,400</b>	<b>13,874</b>	<b>26,577</b>	
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the parent	3,379	10,591	14,759	27,083	
Non-controlling interests	92	(191)	(885)	(506)	
	<b>3,471</b>	<b>10,400</b>	<b>13,874</b>	<b>26,577</b>	
<b>Total comprehensive income/(loss) for the financial year attributable to:</b>					
Owners of the parent	3,379	10,591	14,759	27,083	
Non-controlling interests	92	(191)	(885)	(506)	
	<b>3,471</b>	<b>10,400</b>	<b>13,874</b>	<b>26,577</b>	
<b>Earnings per share attributable to owners of the parent:</b>					
Basic (Sen)	B10	0.57	2.02	2.49	5.18
Diluted (Sen)	B10	0.57	2.02	2.49	5.18

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 31 DECEMBER 2022**

	Note	31-Dec-22 (Unaudited) RM'000	31-Dec-21 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment ("PPE")	A9	21,521	23,982
Right-of-use assets ("ROU")	A9	83,032	85,598
Investment properties		38,108	38,990
Investment in associates		433	435
Goodwill on consolidation		254,695	254,695
Deferred tax assets		854	666
		<b>398,643</b>	<b>404,366</b>
<b>Current Assets</b>			
Inventories		81,229	67,432
Contract assets		32,079	80,743
Trade receivables		34,456	41,841
Other receivables		28,131	17,086
Amounts due from related companies		283,516	280,433
Amount due from an associate		-	7
Tax recoverable		3,306	3,060
Fixed deposits with licensed banks		7,170	5,670
Cash held under Housing Development Accounts		21,136	23,775
Cash and bank balances		25,138	13,653
		<b>516,161</b>	<b>533,700</b>
<b>TOTAL ASSETS</b>		<b>914,804</b>	<b>938,066</b>

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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 31 DECEMBER 2022 (cont'd)**

Note	31-Dec-22 (Unaudited) RM'000	31-Dec-21 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES</u></b>		
Equity attributable to owners of the parent:		
Share capital	388,186	388,186
Asset revaluation reserve	4,014	4,165
Other reserve	(1,684)	(1,684)
Retained earnings	116,531	107,035
	<b>507,047</b>	<b>497,702</b>
Non-controlling interests	(699)	186
<b>Total Equity</b>	<b>506,348</b>	<b>497,888</b>
<b><u>LIABILITIES</u></b>		
<b>Non-current Liabilities</b>		
Loans and borrowings	B7 44,836	17,273
Lease liabilities	B7 8,373	16,579
Deferred tax liabilities	3,480	2,715
	<b>56,689</b>	<b>36,567</b>
<b>Current Liabilities</b>		
Trade payables	213,797	260,427
Contract liabilities	40,317	40,471
Amounts due to immediate holding company	13	-
Amounts due to related companies	5,503	5,277
Other payables	30,897	41,686
Amount due to an associate	17	66
Bank overdrafts	B7 12,674	4,982
Loans and borrowings	B7 35,161	35,473
Lease liabilities	B7 12,890	12,277
Tax payable	498	2,952
	<b>351,767</b>	<b>403,611</b>
<b>Total Liabilities</b>	<b>408,456</b>	<b>440,178</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>914,804</b>	<b>938,066</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	0.86	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 YEAR ENDED 31 DECEMBER 2022**

	<-----Attributable to owners of the parent----->						
	<-----Non-Distributable----->			Distributable			
<b>Group</b>	<b>Share Capital RM'000</b>	<b>Asset Revaluation Reserve RM'000</b>	<b>Other Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2022	388,186	4,165	(1,684)	107,035	497,702	186	497,888
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	14,759	14,759	(885)	13,874
Realisation of asset revaluation reserve	-	(151)	-	151	-	-	-
<b>Transactions with owners</b>							
Dividends paid	-	-	-	(5,414)	(5,414)	-	(5,414)
At 31 December 2022	<b>388,186</b>	<b>4,014</b>	<b>(1,684)</b>	<b>116,531</b>	<b>507,047</b>	<b>(699)</b>	<b>506,348</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**- FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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
<b>Group</b>								
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	-	-	-	-	(45)	(45)	-	(45)
At 1 January 2021 (restated)	327,886	60,300	4,316	(1,684)	79,801	470,619	692	471,311
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	-	27,083	27,083	(506)	26,577
Realisation of asset revaluation reserve	-	-	(151)	-	151	-	-	-
<b>Transactions with owners</b>								
Issuance of ordinary shares pursuant to: - conversion of ICPS	60,300	(60,300)	-	-	-	-	-	-
At 31 December 2021	<b>388,186</b>	<b>-</b>	<b>4,165</b>	<b>(1,684)</b>	<b>107,035</b>	<b>497,702</b>	<b>186</b>	<b>497,888</b>

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 YEAR ENDED 31 DECEMBER 2022**

	As at 31-Dec-22 RM'000 (Unaudited)	As at 31-Dec-21 RM'000 (Audited)
Profit before tax	25,509	39,977
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	347
Depreciation of		
- PPE	6,881	6,579
- Investment properties	882	882
- ROU	7,880	7,771
Finance costs	5,508	5,536
Deposit written off	-	3
Bad debt written off	37	-
Impairment losses on:		
- trade receivables	716	169
- related companies	41	3
Waiver of debts	-	(175)
Reversal of impairment losses on:		
- trade receivables	(39)	(176)
- an associate	(34)	-
- amounts due from related companies	-	(55)
Gain on disposal of a subsidiary company	(599)	-
Goodwill written off	44	-
Loss on disposal of PPE	2	36
Interest income	(648)	(334)
Loss on disposal of an associate	41	-
Share of profit of associates (net of tax)	(230)	(247)
Operating profit before working capital changes	45,991	60,316
<b>Changes in working capital:</b>		
Inventories	(13,796)	(56,603)
Receivables	(1,533)	5,027
Payables	(59,995)	55,500
Contract assets and contract liabilities	48,510	(29,904)
Related companies	(2,897)	57,731
Immediate holding company	13	-
Associate	(42)	(3)
	(29,740)	31,748
<b>Cash generated from operations</b>	16,251	92,064
Interest paid	(5,667)	(5,757)
Interest income	648	334
Income tax paid	(13,759)	(11,932)
	(18,778)	(17,355)
<b>Net cash (used in)/generated from operating activities</b>	(2,527)	74,709

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**- FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)**

	As at 31-Dec-22 RM'000 (Unaudited)	As at 31-Dec-21 RM'000 (Audited)
<b>Cash flows used in investing activities</b>		
Net cash inflow from disposal of a subsidiary company	748	-
Net cash outflow from acquisition of a subsidiary company	(941)	-
Purchase of:		
-PPE	(3,360)	(2,271)
-ROU	(743)	(1,551)
Proceeds from disposal of PPE	132	66
Proceeds from disposal of an associate	45	-
Dividends received from an associate	180	150
<b>Net cash used in investing activities</b>	<b>(3,939)</b>	<b>(3,606)</b>
<b>Cash flows generated from/(used in) financing activities</b>		
Drawdown of bank borrowings	132,130	137,386
Increase of fixed deposits pledged	(1,327)	(2,033)
Repayment of lease liabilities	(12,876)	(13,054)
Repayment of bank borrowings	(104,720)	(223,666)
Dividends paid	(5,414)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>7,793</b>	<b>(101,367)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,327</b>	<b>(30,264)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>32,446</b>	<b>62,710</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>33,773</b>	<b>32,446</b>
<b>Cash and cash equivalents at the end of the financial year comprise:</b>		
Cash and bank balances	25,138	13,653
Cash held under Housing Development Accounts	21,136	23,775
Fixed deposits with licensed banks	7,170	5,670
Bank overdrafts	(12,674)	(4,982)
	40,770	38,116
Less: Fixed deposits pledged with licensed banks	(6,997)	(5,670)
	33,773	32,446

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 YEAR ENDED 31 DECEMBER 2022

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### 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.

		<b><u>Effective date for financial periods beginning on or after</u></b>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – comparative information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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)**

**31 December 2022 (Unaudited)**

	<b>Construction and trading RM'000</b>	<b>Property development RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>
<b>Revenue</b>				
Total revenue	640,414	23,809	-	664,223
Less: Inter-segment revenue	(53,674)	-	-	(53,674)
Revenue from external customers	586,740	23,809	-	610,549
<b>Results</b>				
Interest income	250	397	1	648
Finance costs	(4,450)	(335)	(723)	(5,508)
Depreciation	(15,467)	(139)	(37)	(15,643)
Share of profit of associates (net of tax)	230	-	-	230
<b>Segment profit/(loss) before tax</b>	23,716	3,218	(1,425)	25,509
Taxation				(11,635)
<b>Profit after tax</b>				13,874
<b>Other non-cash items</b>				
Bad debt written off	37	-	-	37
Impairment losses on receivables	757	-	-	757
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
Reversal of impairment losses on receivables	(27)	(12)	-	(39)
Goodwill written off	-	-	44	44
<b>Assets</b>				
Additions to non-current assets	9,681	188	-	9,869
Segment assets	518,620	140,894	255,290	914,804
<b>Liabilities</b>				
Segment liabilities	355,241	39,605	13,610	408,456

**A4. Segmental Information (Cont'd)**

**31 December 2021 (Audited)**

	<b>Construction and trading RM'000</b>	<b>Property development RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>
<b>Revenue</b>				
Total revenue	621,305	16,807	-	638,112
Less: Inter-segment revenue	(44,353)	-	-	(44,353)
Revenue from external customers	576,952	16,807	-	593,759
<b>Results</b>				
Interest income	158	175	1	334
Finance costs	(4,718)	(389)	(429)	(5,536)
Depreciation	(15,121)	(57)	(54)	(15,232)
Amortisation of intangible assets	-	-	(347)	(347)
Share of profit of associates (net of tax)	247	-	-	247
<b>Segment profit/(loss) before tax</b>	36,814	5,198	(2,035)	39,977
Taxation				(13,400)
<b>Profit after tax</b>				26,577
<b>Other non-cash items</b>				
Impairment losses on receivables	172	-	-	172
Deposit written off	-	-	3	3
Loss on disposal of PPE	36	-	-	36
Waiver of debts	(175)	-	-	(175)
Reversal of impairment losses on receivables	(60)	(171)	-	(231)
<b>Assets</b>				
Additions to non-current assets	11,616	259	-	11,875
Segment assets	565,339	117,285	255,442	938,066
<b>Liabilities</b>				
Segment liabilities	390,201	36,434	13,543	440,178

#### A4. Segmental Information (Cont'd)

*Segmental Performance (financial year ended 31 December 2022 against financial year ended 31 December 2021)*

##### **Construction and Trading**

Revenue from construction segment increased by RM9.79 million from RM576.95 million in previous financial year to RM586.74 million in current financial year. The increase in revenue mainly contributed by projects such as Idaman BSP and Kita Mekar.

Despite higher revenue, the segment Profit Before Tax ("PBT") for the current financial year was RM23.72 million compared to the preceding year RM36.81 million. The decrease of RM13.09 million is mainly 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 RM29.91 million generated in current financial year.

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**

Revenue from property development segment increased by RM7 million from RM16.81 million in previous financial year to RM23.81 million in current financial year. This mainly contributed by the newly launched project of Laman Bayu Phase 3 and Phase 4 recorded revenue with 95.38% have been sold with project completion of 63.58% as at December 2022 while Laman Bayu Phase 1 and 2 delivered vacant possession to house buyer in previous corresponding year.

The segment Profit Before Tax ("PBT") for the current financial year ended was RM3.22 million compared to the preceding year RM5.20 million.

##### **Others**

Loss Before Tax ("LBT") of other segment decrease by RM0.61 million from RM2.04 million in previous financial year to RM1.43 million in current financial year.

The reduced in loss mainly 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**

	<b>RM'000</b>
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 31 December 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 year.

**A11. Changes in Composition of the Group**

On 7 November 2022, MGB Construction Sdn. Bhd., a wholly-owned subsidiary company of the Company, had subscribed twelve thousand and five hundred (12,500) ordinary shares of Saudi Riyal ten (SAR10) for each share in MGB International for Industry (“MII”), a Limited Liability Company in Kingdom of Saudi Arabia, for a total cash consideration of Saudi Riyal one hundred and twenty-five thousand (SAR125,000) (approximately Ringgit Malaysia one hundred and forty-five thousand nine hundred five (RM145,905)) only. Consequently, MII 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:

	<b>As at 31-Dec-22 RM'000</b>	<b>As at 31-Dec-21 RM'000</b>
<b><u>Authorised and contracted for :</u></b>		
Purchase Order for		
- Interior design and renovation works	43	43

**A13. Subsequent Events**

There were no subsequent events as at 10 February 2023, 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 31-Dec-22	As at 31-Dec-21
	RM'000	RM'000
<b>Bank guarantees issued for:</b>		
- Construction Contracts	-	72
- Property Development	2,624	2,703
	2,624	2,775

**(b) Contingent Assets**

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

**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 year were summarised as follows:

	As at 31-Dec-22	As at 31-Dec-21
	RM'000	RM'000
<b>Income</b>		
Contract revenue	611,635	494,328
<b>Expenses</b>		
Contractor fee paid/payable	55	-
Dividends paid	4,019	-
Deposit paid/payable	-	3,000
Purchase of materials	-	4,608
Rental expenses paid/payable	198	196
Interest expenses paid/payable	-	1
Reimbursement of land consideration pursuant to deed of novation cum assignment	-	23,076
	-	23,076

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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	Ended	Ended	Ended	Ended	Ended	Ended	
	31-Dec-22	31-Dec-21			31-Dec-22	31-Dec-21		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	143,330	188,551	(45,221)	-23.98%	610,549	593,759	16,790	2.83%
Profit before tax	6,714	15,158	(8,444)	-55.71%	25,509	39,977	(14,468)	-36.19%
Profit after tax ("PAT")	3,471	10,400	(6,929)	-66.63%	13,874	26,577	(12,703)	-47.80%

#### Individual Quarter

The Group achieved revenue of RM143.33 million in current financial year which representing RM45.22 million or 23.98% lower as compared to the corresponding year of preceding year.

The movement of the revenue mainly attributable to the decrease recorded in construction segment of approximately RM49.99 million and increase in property development segment of approximately RM4.77 million.

#### Year to Date

The revenue of the Group improved by RM16.79 million whilst PBT decrease by RM14.47 million comparing current financial year against preceding financial year mainly due to increase in operation expenses.

As explained under Note A4, construction and trading segment remained the Group's main revenue contributor. Construction segment revenue increased by RM9.79 million and Property Development segment revenue increased by RM7 million.

The Group's total assets and total liabilities stood at RM914.8 million and RM408.46 million respectively as at 31 December 2022. Assets of approximately RM518.62 million or 56.69% and liabilities of RM355.24 million or 86.97% were from the construction and trading segment.

**B2. Variation of Results Against Immediate Preceding Quarter**

	<b>Current Quarter Ended 31-Dec-22</b>	<b>Immediate Preceding Quarter Ended 30-Sep-22</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	143,330	154,878	(11,548)	-7.46%
Profit before tax ("PBT")	6,714	5,132	1,582	30.83%
Profit after tax ("PAT")	3,471	3,419	52	1.52%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an decrease of approximately RM9.07 million and property development segment an decrease of approximately RM2.48 million. PBT and PAT increased by RM1.58 million and RM0.05 million respectively as compared to immediate preceding quarter mainly due to cost control.

**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, September 2022 and November 2022. The Russia-Ukraine conflict has 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 RM1.93 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.

	<b>Current Quarter 31-Dec-22 RM'000</b>	<b>Current Year to Date 31-Dec-22 RM'000</b>
<b>Income Tax:</b>		
- Current year	2,662	11,210
- Prior year	691	(152)
	3,353	11,058
 <b>Deferred Tax:</b>		
- Current year	(110)	496
- Prior year	-	81
<b>Total Taxation</b>	3,243	11,635

**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 conditions precedent in the Proposed DRA have been fulfilled and the Proposed DRA has become unconditional.
  
- (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.

**B6. Status of Corporate Proposals Announced (cont'd)**

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

- (c) On 14 December 2022, the Board announced that its wholly-owned subsidiary, Retro Court Sdn. Bhd. ("RCSB") had entered into a Framework Agreement with Invest Energy Sdn. Bhd. ("IESB") to collaborate with each other to explore the potential design, finance, operation, use, and/or maintenance of clean energy solutions such as green energy (including but not limited to all types of renewable energy and energy efficiency solutions such as solar, biogas, biomass and/or combined heat and power) in an industrial park known as Kerteh Terengganu Industrial Park ("KTIP") by IESB which includes IESB's obligation to provide a centralised utility facilities together with a centralised plant at a designated area to be determined by RCSB but in any event shall not be more than 10 acres from the entire KTIP's development land, towards improving KTIP's energy efficiency and environmental footprint.
- (d) On 13 January 2023, the Board announced that the Company had entered into a Memorandum of Understanding ("MOU") with SANY Alameriah For Construction Co., Ltd., a limited liability company incorporated at Kingdom of Saudi Arabia, in relation to collaborate and co-operate with each other for the installation of IBS precast concrete products up to 10,000 units of properties under the Government Sakani Program in Kingdom of Saudi Arabia and to be completed within Five (5) years [as hereinafter defined "Construction of Units"] and operate the precast concrete factory located in Jeddah ("Factory") and supply of IBS precast concrete products for the Construction of Units ["Operation of Precast Concrete Manufacturing"]. The value of the supply and install for the Construction of Units is approximately 2.5 billion SAR.

The Construction of Units and Operation of Precast Concrete Manufacturing are collectively known as "Projects" and is subject to terms to be mutually agreed and/or determined in a Definitive Agreement upon the successful award of the Construction of Units or any part thereof by the Awarder for the implementation of the Construction of Units between the Parties as the case may be.

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**B7. Borrowings and Debt Securities**

Total borrowings of the Group comprised of the followings:

	<b>As at 31-Dec-22 RM'000 (Unaudited)</b>
<b>Secured</b>	
Term loans	51,078
Revolving credits	25,400
Bank overdrafts	12,674
Trade services	3,519
Lease liabilities	21,263
<b>Total</b>	<b>113,934</b>
 <b>Current</b>	
Term loans	6,242
Revolving credits	25,400
Trade services	3,519
Bank overdrafts	12,674
Lease liabilities	12,890
<b>Total</b>	<b>60,725</b>
 <b>Non-current</b>	
Term loans	44,836
Lease liabilities	8,373
<b>Total</b>	<b>53,209</b>

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 year.

**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:

	<b>Current Quarter Ended</b>		<b>Year to Date Ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Profit attributable to owners of the parent (RM'000)	3,379	10,591	14,759	27,083
Weighted average number of ordinary shares in issue ('000)	591,653	523,351	591,653	523,351
Basic EPS (Sen)	0.57	2.02	2.49	5.18

**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:

	<b>Current Quarter Ended</b>		<b>Year to Date Ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Profit attributable to owners of the parent (RM'000)	3,379	10,591	14,759	27,083
Weighted average number of ordinary shares in issue ('000)	591,653	523,351	591,653	523,351
Diluted EPS (Sen)	0.57	2.02	2.49	5.18

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

	<b>Current Quarter Ended 31-Dec-22 RM'000</b>	<b>Current Year To Date Ended 31-Dec-22 RM'000</b>
Interest income	(308)	(648)
Gain on disposal of a subsidiary company	-	(599)
Rental income	(69)	(279)
Reversal of impairment losses on receivables	(20)	(39)
Reversal of impairment losses on an associates	-	(34)
Loss on disposal of PPE	-	2
Loss on disposal of an associate	-	41
Bad debt written off	37	37
Impairment losses on receivables	408	757
Goodwill written off	-	44
Depreciation of investment properties	221	882
Depreciation of PPE	1,728	6,881
Depreciation of ROU	2,026	7,880
Finance costs	1,367	5,508

**B12. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 17 February 2023.

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