



MGB BERHAD

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

INTERIM FINANCIAL REPORT 30 JUNE 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Individual Quarter		Cumulative Year		
	Current Year Quarter Ended 30-Jun-23 (Unaudited) RM'000	Preceding Year Quarter Ended 30-Jun-22 (Unaudited) RM'000	Current Year To Date Ended 30-Jun-23 (Unaudited) RM'000	Preceding Year To Date Ended 30-Jun-22 (Unaudited) RM'000	
Revenue	232,595	133,750	410,354	312,341	
Cost of sales	(197,924)	(115,453)	(343,129)	(268,344)	
Gross profit	34,671	18,297	67,225	43,997	
Interest income	194	92	383	167	
Other income	980	202	1,323	1,059	
Operating expenses	(17,725)	(14,956)	(33,467)	(29,021)	
Finance costs	(1,430)	(1,343)	(2,708)	(2,704)	
Share of profit of associates (net of tax)	154	138	142	165	
Profit before tax	16,844	2,430	32,898	13,663	
Taxation	(4,439)	(2,262)	(8,252)	(6,679)	
Profit after tax for the financial period	12,405	168	24,646	6,984	
Other comprehensive income for the financial period	-	-	-	-	
Total comprehensive income for the financial period	12,405	168	24,646	6,984	
Profit/(Loss) for the financial period attributable to:					
Owners of the parent	12,003	477	24,018	7,615	
Non-controlling interests	402	(309)	628	(631)	
	12,405	168	24,646	6,984	
Total comprehensive income/(loss) for the financial period attributable to:					
Owners of the parent	12,003	477	24,018	7,615	
Non-controlling interests	402	(309)	628	(631)	
	12,405	168	24,646	6,984	
Earnings per share attributable to owners of the parent:					
Basic (Sen)	B10	2.03	0.08	4.06	1.29
Diluted (Sen)	B10	2.03	0.08	4.06	1.29

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 JUNE 2023

	Note	30-Jun-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment ("PPE")	A9	26,865	21,521
Right-of-use assets ("ROU")	A9	82,241	83,032
Investment properties		37,667	38,108
Investment in associates		395	433
Goodwill on consolidation		254,695	254,695
Deferred tax assets		1,058	854
		402,921	398,643
Current Assets			
Inventories		96,170	81,260
Contract assets		42,587	32,422
Trade receivables		26,842	35,976
Other receivables		26,929	28,131
Amounts due from related companies		315,021	283,575
Amount due from an associate		11	-
Tax recoverable		3,414	3,306
Fixed deposits with licensed banks		9,712	7,170
Cash held under Housing Development Accounts		14,036	21,136
Cash and bank balances		31,763	25,138
		566,485	518,114
TOTAL ASSETS		969,406	916,757

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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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- AS AT 30 JUNE 2023 (CONT'D)

	Note	30-Jun-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent:			
Share capital		388,186	388,186
Asset revaluation reserve		3,939	4,014
Other reserve		(1,684)	(1,684)
Retained earnings		139,489	116,869
		529,930	507,385
Non-controlling interests		(71)	(699)
Total Equity		529,859	506,686
<u>LIABILITIES</u>			
Non-current Liabilities			
Loans and borrowings	B7	41,887	44,836
Lease liabilities	B7	6,658	8,373
Deferred tax liabilities		3,107	3,233
		51,652	56,442
Current Liabilities			
Trade payables		259,849	216,633
Contract liabilities		47,451	39,927
Amounts due to immediate holding company		13	13
Amounts due to related companies		5,682	5,562
Other payables		23,129	30,242
Amount due to an associate		-	17
Bank overdrafts	B7	-	12,674
Loans and borrowings	B7	34,433	35,161
Lease liabilities	B7	12,625	12,890
Tax payable		4,713	510
		387,895	353,629
Total Liabilities		439,547	410,071
TOTAL EQUITY AND LIABILITIES		969,406	916,757
Net assets per share attributable to owners of the parent (RM)		0.90	0.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 JUNE 2023

	<-----Attributable to owners of the parent----->				Total	Non-Controlling Interests	Total Equity
	Share Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 1 January 2023	388,186	4,014	(1,684)	116,869	507,385	(699)	506,686
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	24,018	24,018	628	24,646
Realisation of asset revaluation reserve	-	(75)	-	75	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(1,473)	(1,473)	-	(1,473)
At 30 June 2023	388,186	3,939	(1,684)	139,489	529,930	(71)	529,859

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

	<-----Attributable to owners of the parent----->				Total	Non-Controlling Interests	Total Equity
	Share Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
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/(loss) for the financial period	-	-	-	7,615	7,615	(631)	6,984
Realisation of asset revaluation reserve	-	(75)	-	75	-	-	-
Transactions with owners							
Dividends paid	-	-	-	(2,497)	(2,497)	-	(2,497)
At 30 June 2022	388,186	4,090	(1,684)	112,228	502,820	(445)	502,375

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	As at 30-Jun-23 RM'000 (Unaudited)	As at 30-Jun-22 RM'000 (Unaudited)
Profit before tax	32,898	13,663
Adjustments for:		
Depreciation of		
- PPE	3,361	3,396
- Investment properties	441	441
- ROU	4,309	3,859
Finance costs	2,708	2,704
Impairment losses on:		
- trade receivables	540	27
- related companies	-	47
Reversal of impairment losses on:		
- trade receivables	(542)	(22)
- an associate	-	(34)
- amounts due from related companies	(15)	-
Gain on disposal of a subsidiary company	-	(599)
Gain on disposal of PPE	(270)	(20)
Gain on disposal of ROU	(165)	-
Interest income	(383)	(167)
Loss on disposal of an associate	-	41
Share of profit of associates (net of tax)	(142)	(165)
Operating profit before working capital changes	42,740	23,171
Changes in working capital:		
Inventories	(14,910)	(7,456)
Receivables	10,337	(6,216)
Payables	31,990	5,114
Contract assets and contract liabilities	(2,642)	15,507
Related companies	(31,311)	(40,927)
Associate	(27)	(42)
	(6,563)	(34,020)
Cash generated from/(used in) operations	36,177	(10,849)
Interest paid	(2,740)	(2,862)
Interest income	383	167
Income tax paid	(4,487)	(5,881)
	(6,844)	(8,576)
Net cash generated from/(used in) operating activities	29,333	(19,425)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	As at 30-Jun-23 RM'000 (Unaudited)	As at 30-Jun-22 RM'000 (Unaudited)
Cash flows (used in)/generated from investing activities		
Net cash inflow from disposal of a subsidiary company	-	748
Purchase of:		
-PPE	(3,038)	(751)
-ROU	(111)	(109)
Proceeds from disposal of PPE	435	101
Proceeds from disposal of an associate	-	45
Dividends received from an associate	180	180
Net cash (used in)/generated from investing activities	(2,534)	214
Cash flows (used in)/generated from financing activities		
Drawdown of bank borrowings	34,535	80,462
Increase of fixed deposits pledged	(2,541)	(2,328)
Repayment of lease liabilities	(6,939)	(6,320)
Repayment of bank borrowings	(38,180)	(42,051)
Dividends paid	(1,473)	(2,497)
Net cash (used in)/generated from financing activities	(14,598)	27,266
Net increase in cash and cash equivalents	12,201	8,055
Cash and cash equivalents at the beginning of the financial period	33,773	32,446
Cash and cash equivalents at the end of the financial period	45,974	40,501
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	31,763	19,797
Cash held under Housing Development Accounts	14,036	20,533
Fixed deposits with licensed banks	9,712	8,169
	55,511	48,499
Less: Fixed deposits pledged with licensed banks	(9,537)	(7,998)
	45,974	40,501

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 JUNE 2023

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 2022. 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 2022.

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 2022 except for the adoption of the following:

Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Policies
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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.

		Effective date for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The adoption of the 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 2022 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 June 2023 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	441,612	22,464	-	464,076
Less: Inter-segment revenue	(53,722)	-	-	(53,722)
Revenue from external customers	<u>387,890</u>	<u>22,464</u>	<u>-</u>	<u>410,354</u>
Results				
Interest income	240	142	1	383
Finance costs	(2,040)	(247)	(421)	(2,708)
Depreciation	(8,022)	(77)	(12)	(8,111)
Share of profit of associates (net of tax)	142	-	-	142
Segment profit/(loss) before tax	<u>29,757</u>	<u>3,991</u>	<u>(850)</u>	<u>32,898</u>
Taxation				<u>(8,252)</u>
Profit after tax				<u>24,646</u>
Other non-cash items				
Gain on disposal of PPE	(270)	-	-	(270)
Reversal of impairment losses on receivables (net)	(17)	-	-	(17)
Gain on disposal of ROU	(165)	-	-	(165)
Assets				
Additions to non-current assets	12,218	26	-	12,244
Segment assets	562,801	151,200	255,405	969,406
Liabilities				
Segment liabilities	<u>390,059</u>	<u>40,366</u>	<u>9,122</u>	<u>439,547</u>

A4. Segmental Information (Cont'd)

30 June 2022 (Unaudited)

	Construction and trading RM'000	Property development RM'000	Others RM'000	Total segments RM'000
Revenue				
Total revenue	325,630	8,442	-	334,072
Less: Inter-segment revenue	(21,731)	-	-	(21,731)
Revenue from external customers	<u>303,899</u>	<u>8,442</u>	<u>-</u>	<u>312,341</u>
Results				
Interest income	87	80	-	167
Finance costs	(2,245)	(125)	(334)	(2,704)
Depreciation	(7,609)	(63)	(24)	(7,696)
Share of profit of associates (net of tax)	165	-	-	165
Segment profit/(loss) before tax	<u>13,773</u>	<u>675</u>	<u>(785)</u>	<u>13,663</u>
Taxation				<u>(6,679)</u>
Profit after tax				<u>6,984</u>
Other non-cash items				
Gain on disposal of PPE	(20)	-	-	(20)
Gain on disposal of a subsidiary company	(599)	-	-	(599)
Loss on disposal of an associate	41	-	-	41
Impairment losses on receivables (net)	25	27	-	52
Reversal of impairment losses on an associate	(34)	-	-	(34)
Assets				
Additions to non-current assets	1,370	55	-	1,425
Segment assets	586,784	127,578	255,543	969,905
Liabilities				
Segment liabilities	<u>423,114</u>	<u>30,771</u>	<u>13,645</u>	<u>467,530</u>

A4. Segmental Information (Cont'd)

Segmental Performance (financial period ended 30 June 2023 against financial period ended 30 June 2022)

Construction and Trading

Revenue from construction and trading segment increased by RM83.99 million from RM303.90 million in preceding year corresponding quarter to RM387.89 million in current financial period. The increase in revenue mainly contributed by projects such as Idaman BSP, Kita Mekar and Kita Mesra.

In line with increase in revenue, the segment Profit Before Tax (“PBT”) for the current financial period was RM29.76 million compared to the preceding year corresponding quarter RM13.77 million. PBT increased by RM15.99 million mainly due to cost optimisation.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM29.20 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

Revenue from property development segment increased by RM14.02 million from RM8.44 million in preceding year corresponding quarter to RM22.46 million in current financial period. The notable growth driven predominantly by newly launched of project as below:

Project name	Total units	Project type
Idaman Melur	1,448	Affordable apartment project
Idaman Cahaya, Phase 1	568	
Idaman Sari	513	
Saujana Indah, Phase 1	595	Apartment

The segment Profit Before Tax (“PBT”) for the current quarter was also improved recorded at RM3.99 million compared to the preceding year corresponding quarter RM0.68 million.

Others

Loss Before Tax (“LBT”) of other segment increase slightly by RM0.06 million from RM0.79 million in preceding year corresponding quarter to RM0.85 million in current financial period.

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 2022:	
- Interim single-tier dividend of RM0.00249 per ordinary share, paid on 30 March 2023	1,473
Total dividends paid as at 30 June 2023	<u>1,473</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.

A10. Debts and Equity Securities

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

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A11. Changes in Composition of the Group

On 13 April 2023, MGB Development Sdn. Bhd. ("MDSB") (formerly known as MGB Kampar Development Sdn. Bhd.), a wholly-owned subsidiary of MGB Land Sdn. Bhd. ("MLS B"), an indirect wholly-owned subsidiary of the Company, had increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares. MLSB has subscribed for an additional 250,000 ordinary shares in MDSB for a total cash consideration of RM250,000 only.

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:

Authorised and contracted for :

Purchase order for

- Property, plant and equipment

As at 30-Jun-23	As at 30-Jun-22
RM'000	RM'000
8,161	43

A13. Subsequent Events

There were no subsequent events as at 11 August 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 30-Jun-23 RM'000	As at 30-Jun-22 RM'000
Bank guarantees issued for:		
- Construction Contracts	-	72
- Property Development	10,074	2,682
	10,074	2,754

(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 year were summarised as follows:

	As at 30-Jun-23 RM'000	As at 30-Jun-22 RM'000
Income		
Contract revenue	372,972	311,315
Expenses		
Dividends paid	1,094	1,853
Rental expenses paid/payable	99	100
Management fee	190	-
	190	-

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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		
30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22					
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	232,595	133,750	98,845	73.90%	410,354	312,341	98,013	31.38%
Profit before tax	16,844	2,430	14,414	593.17%	32,898	13,663	19,235	140.78%
Profit after tax ("PAT")	12,405	168	12,237	7283.93%	24,646	6,984	17,662	252.89%

Individual Quarter

The Group achieved revenue of RM232.60 million in current financial period which representing RM98.85 million or 73.90% higher as compared to the preceding year corresponding period.

The movement of the revenue mainly attributable to the increase recorded in construction segment of approximately RM89.36 million and increase in property development segment of approximately RM9.49 million.

Construction and trading segment remains as the key driver in contributing the revenue of the Group followed by strengthen of revenue in property development segment.

Significant leap in the result were mainly attributable by higher progressive revenue and profit contribution from its new launching and ongoing projects and cost optimisation.

Cumulative Period

For the cumulative financial period ended 30 June 2022, the Group recorded revenue of approximately RM410.35 million, representing an increase of approximately RM98.01 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 RM83.99 million and Property Development segment revenue increased by RM14.02 million. The Group's Profit Before Tax ("PBT") recorded increased by RM19.24 million.

The Group's total assets and total liabilities stood at RM969.41 million and RM439.55 million respectively as at 30 June 2023. Assets of approximately RM562.80 million or 58.06% and liabilities of RM390.06 million or 88.74% were from the construction and trading segment.

B2. Variation of Results Against Immediate Preceding Quarter

	Current Quarter Ended 30-Jun-23	Immediate Preceding Quarter Ended 31-Mar-23	Variance	
	RM'000	RM'000	RM'000	%

Revenue	232,595	177,759	54,836	30.85%
Profit before tax ("PBT")	16,844	16,054	790	4.92%
Profit after tax ("PAT")	12,405	12,241	164	1.34%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an increase of approximately RM50.61 million and property development segment an increase of approximately RM4.23 million. Higher revenue recorded in current quarter was contributed by projects such as Idaman BSP, Prestige and Kita Mekar. Slightly increase in profit in current quarter were mainly due to cost saving on completed projects and salary adjustment in current quarter.

B3. Prospects for the Year

Despite interest rate hikes challenge, through MGB's Value Driven Technology ("VaDTech") approach, bolstered by the government's plan to construct 500,000 affordable homes by the 2025 as part of the 12th Malaysia Plan, variety of financing schemes to promote affordable home development and government's decision to subsidies cement price for affordable housing, 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 RM1.87 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 2023.

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-Jun-23 RM'000	Current Year to Date 30-Jun-23 RM'000
Income Tax:		
- Current year	4,761	8,581
Deferred Tax:		
- Current year	(322)	(329)
Total Taxation	4,439	8,252

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 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.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

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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)

- (b) 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. (“SA”), 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.

The MOU has been superseded and replaced upon entering Joint Venture Agreement with SANY Alameriah Industrial, a branch of SA on 27 July 2023, and the said MOU shall be deemed completed and terminated.

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B7. Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 30-Jun-23 RM'000 (Unaudited)
Secured	
Term loans	47,655
Revolving credits	27,500
Trade services	1,165
Lease liabilities	19,283
Total	95,603
 Current	
Term loans	5,768
Revolving credits	27,500
Trade services	1,165
Lease liabilities	12,625
Total	47,058
 Non-current	
Term loans	41,887
Lease liabilities	6,658
Total	48,545

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

In respect of the previous financial year ended 31 December 2022:

At the Annual General Meeting held on 20 June 2023, the shareholders of the Company approved a final single-tier dividend of RM0.00250 per ordinary share, which had been paid on 20 July 2023 to shareholders whose name appeared in the Company’s Record of Depositors on 28 June 2023.

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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Profit attributable to owners of the parent (RM'000)	12,003	477	24,018	7,615
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.03	0.08	4.06	1.29

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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Profit attributable to owners of the parent (RM'000)	12,003	477	24,018	7,615
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.03	0.08	4.06	1.29

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

	Current Quarter Ended 30-Jun-23 RM'000	Current Year To Date Ended 30-Jun-23 RM'000
Interest income	(194)	(383)
Rental income	(77)	(144)
Reversal of impairment losses on receivables	(544)	(557)
Gain on disposal of PPE	(264)	(270)
Gain on disposal of ROU	-	(165)
Impairment losses on receivables	538	540
Depreciation of investment properties	221	441
Depreciation of PPE	1,758	3,361
Depreciation of ROU	2,226	4,309
Finance costs	1,430	2,708

B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 18 August 2023.

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