



## **MGB BERHAD**

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

### **INTERIM FINANCIAL REPORT 30 SEPTEMBER 2023**

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

	Individual Quarter		Cumulative Period		
	Current Year Quarter Ended 30-Sep-23 (Unaudited) RM'000	Preceding Year Quarter Ended 30-Sep-22 (Unaudited) RM'000	Current Year To Date Ended 30-Sep-23 (Unaudited) RM'000	Preceding Year To Date Ended 30-Sep-22 (Unaudited) RM'000	
Revenue	256,141	154,878	666,495	467,219	
Cost of sales	(217,942)	(133,134)	(561,071)	(401,478)	
Gross profit	38,199	21,744	105,424	65,741	
Interest income	515	173	898	340	
Other income	254	430	1,577	1,489	
Operating expenses	(19,501)	(15,812)	(52,968)	(44,833)	
Finance costs	(1,654)	(1,437)	(4,362)	(4,141)	
Share of profit of associates (net of tax)	83	34	225	199	
Profit before tax	17,896	5,132	50,794	18,795	
Taxation	(5,162)	(1,713)	(13,414)	(8,392)	
Profit after tax for the financial period	12,734	3,419	37,380	10,403	
Other comprehensive income for the financial period	-	-	-	-	
Total comprehensive income for the financial period	<b>12,734</b>	<b>3,419</b>	<b>37,380</b>	<b>10,403</b>	
<b>Profit/(Loss) for the financial period attributable to:</b>					
Owners of the parent	12,299	3,765	36,317	11,380	
Non-controlling interests	435	(346)	1,063	(977)	
	<b>12,734</b>	<b>3,419</b>	<b>37,380</b>	<b>10,403</b>	
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>					
Owners of the parent	12,299	3,765	36,317	11,380	
Non-controlling interests	435	(346)	1,063	(977)	
	<b>12,734</b>	<b>3,419</b>	<b>37,380</b>	<b>10,403</b>	
<b>Earnings per share attributable to owners of the parent:</b>					
Basic (Sen)	B10	2.08	0.64	6.14	1.92
Diluted (Sen)	B10	2.08	0.64	6.14	1.92

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 SEPTEMBER 2023**

	Note	30-Sep-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment ("PPE")	A9	34,748	21,521
Right-of-use assets ("ROU")	A9	83,906	83,032
Investment properties		37,447	38,108
Investment in associates		478	433
Goodwill on consolidation		254,695	254,695
Deferred tax assets		1,281	854
		<b>412,555</b>	<b>398,643</b>
<b>Current Assets</b>			
Inventories		111,865	81,260
Contract assets		55,261	32,422
Trade receivables		23,689	35,976
Other receivables		26,210	28,131
Amounts due from related companies		364,007	283,575
Amount due from an associate		11	-
Tax recoverable		2,700	3,306
Fixed deposits with licensed banks		9,469	7,170
Cash held under Housing Development Accounts		8,905	25,138
Cash and bank balances		27,858	21,136
		<b>629,975</b>	<b>518,114</b>
<b>TOTAL ASSETS</b>		<b>1,042,530</b>	<b>916,757</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 2022 and the accompanying explanatory notes attached to the interim financial report.

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

	Note	30-Sep-23 (Unaudited) RM'000	31-Dec-22 (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		3,901	4,014
Other reserve		(1,736)	(1,684)
Retained earnings		150,347	116,869
		<b>540,698</b>	<b>507,385</b>
Non-controlling interests		364	(699)
<b>Total Equity</b>		<b>541,062</b>	<b>506,686</b>
<b><u>LIABILITIES</u></b>			
<b>Non-current Liabilities</b>			
Loans and borrowings	B7	40,335	44,836
Lease liabilities	B7	8,921	8,373
Deferred tax liabilities		3,062	3,233
		<b>52,318</b>	<b>56,442</b>
<b>Current Liabilities</b>			
Trade payables		286,552	216,633
Contract liabilities		76,847	39,927
Amounts due to immediate holding company		13	13
Amounts due to related companies		5,795	5,562
Other payables		31,573	30,242
Amount due to an associate		-	17
Bank overdrafts	B7	-	12,674
Loans and borrowings	B7	29,495	35,161
Lease liabilities	B7	11,964	12,890
Tax payable		6,911	510
		<b>449,150</b>	<b>353,629</b>
<b>Total Liabilities</b>		<b>501,468</b>	<b>410,071</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,042,530</b>	<b>916,757</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>		0.91	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 SEPTEMBER 2023**

	<-----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 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	-	-	-	36,317	36,317	1,063	37,380
Foreign currency translation reserve	-	-	(52)	-	(52)	-	(52)
Realisation of asset revaluation reserve	-	(113)	-	113	-	-	-
<b>Transactions with owners</b>							
Dividends paid	-	-	-	(2,952)	(2,952)	-	(2,952)
At 30 September 2023	<b>388,186</b>	<b>3,901</b>	<b>(1,736)</b>	<b>150,347</b>	<b>540,698</b>	<b>364</b>	<b>541,062</b>

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

	<-----Attributable to owners of the parent----->				Total	Non-Controlling Interests	Total Equity
	<-----Non-Distributable----->		Distributable				
	Share Capital RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	RM'000	RM'000	RM'000
<b>Group</b>							
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	-	-	-	11,380	11,380	(977)	10,403
Realisation of asset revaluation reserve	-	(113)	-	113	-	-	-
<b>Transactions with owners</b>							
Dividends paid	-	-	-	(5,414)	(5,414)	-	(5,414)
At 30 September 2022	<b>388,186</b>	<b>4,052</b>	<b>(1,684)</b>	<b>113,114</b>	<b>503,668</b>	<b>(791)</b>	<b>502,877</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 2022 and the accompanying explanatory notes attached to the interim financial report.

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

	<b>As at 30-Sep-23 RM'000 (Unaudited)</b>	<b>As at 30-Sep-22 RM'000 (Unaudited)</b>
Profit before tax	50,794	18,795
<b>Adjustments for:</b>		
Depreciation of		
- PPE	5,484	5,153
- investment properties	661	661
- ROU	6,745	5,854
Finance costs	4,362	4,141
Impairment losses on:		
- trade receivables	675	326
- amounts due from related companies	39	23
- goodwill	-	44
Reversal of impairment losses on:		
- trade receivables	(589)	(19)
- an associate	-	(34)
- amounts due from related companies	(3)	-
Gain on disposal of a subsidiary company	-	(599)
(Gain)/Loss on disposal of PPE	(312)	2
Gain on disposal of ROU	(165)	-
Interest income	(898)	(340)
Loss on disposal of an associate	-	41
Share of profit of associates (net of tax)	(225)	(199)
Operating profit before working capital changes	66,568	33,849
<b>Changes in working capital:</b>		
Inventories	(30,605)	(6,832)
Receivables	14,122	(12,737)
Payables	63,593	(33,090)
Contract assets and contract liabilities	14,080	22,182
Related companies	(80,235)	30,740
Associate	(27)	(42)
Foreign exchange reserve	(52)	-
	(19,124)	221
<b>Cash generated from operations</b>	47,444	34,070
Interest paid	(4,383)	(4,300)
Interest income	898	340
Income tax refund	1,001	-
Income tax paid	(8,006)	(10,368)
	(10,490)	(14,328)
<b>Net cash generated from operating activities</b>	36,954	19,742

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

	As at 30-Sep-23 RM'000 (Unaudited)	As at 30-Sep-22 RM'000 (Unaudited)
<b>Cash flows used in investing activities</b>		
Net cash inflow from disposal of a subsidiary company	-	747
Net cash outflow from acquisition of a subsidiary company	-	(941)
Purchase of:		
-PPE	(7,655)	(1,151)
-ROU	(309)	(492)
Proceeds from disposal of:		
-PPE	312	132
-ROU	165	-
-an associate	-	45
Dividends received from an associate	180	180
<b>Net cash used in investing activities</b>	<b>(7,307)</b>	<b>(1,480)</b>
<b>Cash flows (used in)/generated from financing activities</b>		
Drawdown of bank borrowings	68,785	126,149
Increase of fixed deposits pledged	(2,296)	(1,762)
Repayment of lease liabilities	(11,067)	(9,625)
Repayment of bank borrowings	(78,952)	(77,934)
Dividends paid	(2,952)	(5,414)
<b>Net cash (used in)/generated from financing activities</b>	<b>(26,482)</b>	<b>31,414</b>
<b>Net increase in cash and cash equivalents</b>	3,165	49,676
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>33,773</b>	<b>32,446</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>36,938</b>	<b>82,122</b>
<b>Cash and cash equivalents at the end of the financial period comprise:</b>		
Cash and bank balances	27,858	61,278
Cash held under Housing Development Accounts	8,905	20,672
Fixed deposits with licensed banks	9,469	7,604
	46,232	89,554
Less: Fixed deposits pledged with licensed banks	(9,294)	(7,432)
	<b>36,938</b>	<b>82,122</b>

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 SEPTEMBER 2023

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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 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.

	<b>Effective date for financial periods beginning on or after</b>
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 121 Lack of Exchangeability	1 January 2025
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 September 2023 (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	714,110	51,711	-	765,821
Less: Inter-segment revenue	(99,326)	-	-	(99,326)
Revenue from external customers	614,784	51,711	-	666,495
<b>Results</b>				
Interest income	373	523	2	898
Finance costs	(3,246)	(498)	(618)	(4,362)
Depreciation	(12,526)	(346)	(18)	(12,890)
Share of profit of associates (net of tax)	225	-	-	225
<b>Segment profit/(loss) before tax</b>	43,829	8,263	(1,298)	50,794
Taxation				(13,414)
<b>Profit after tax</b>				37,380
<b>Other non-cash items</b>				
Gain on disposal of PPE	(312)	-	-	(312)
Gain on disposal of ROU	(165)	-	-	(165)
Impairment losses on receivables (net)	122	-	-	122
<b>Assets</b>				
Additions to non-current assets	24,780	1,571	-	26,351
Segment assets	606,855	180,188	255,487	1,042,530
<b>Liabilities</b>				
Segment liabilities	439,458	52,774	9,236	501,468

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

**30 September 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	484,026	17,363	-	501,389
Less: Inter-segment revenue	(34,170)	-	-	(34,170)
Revenue from external customers	449,856	17,363	-	467,219
<b>Results</b>				
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
<b>Segment profit/(loss) before tax</b>	19,035	1,040	(1,280)	18,795
Taxation				(8,392)
<b>Profit after tax</b>				10,403
<b>Other non-cash items</b>				
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
Impairment losses on goodwill	-	-	44	44
<b>Assets</b>				
Additions to non-current assets	6,538	105	-	6,643
Segment assets	546,356	137,266	255,524	939,146
<b>Liabilities</b>				
Segment liabilities	375,247	46,829	14,193	436,269

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

*Segmental Performance (financial period ended 30 September 2023 against financial period ended 30 September 2022)*

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

Revenue from construction and trading segment increased by RM164.93 million from RM449.85 million in preceding year corresponding quarter to RM614.78 million in current financial period. The increase in revenue mainly contributed by projects such as Idaman BSP, Kita Mekar, Prestige and Kita Mesra.

In line with increase in revenue, the segment Profit Before Tax (“PBT”) for the current financial period was RM43.83 million compared to the preceding year corresponding quarter RM19.04 million. PBT increased by RM24.79 million mainly due to cost optimisation.

Construction and trading segment also included the manufacturing arm (precast products) which supply internally. Internal revenue of approximately RM43.91 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 RM34.35 million from RM17.36 million in preceding year corresponding quarter to RM51.71 million in current financial period. The notable growth driven predominantly by newly launched of project as below:

<b>Project name</b>	<b>Total units</b>	<b>Project type</b>
Idaman Melur	1,448	Affordable apartment project
Idaman Cahaya, Phase 1	568	
Idaman Cahaya, Phase 2	872	
Idaman Sari	513	
Saujana Indah, Phase 1	595	Apartment

The segment Profit Before Tax (“PBT”) for the current quarter was also improved recorded at RM8.26 million compared to the preceding year corresponding quarter RM1.04 million.

##### **Others**

Loss Before Tax (“LBT”) of other segment increase slightly by RM0.02 million from RM1.28 million in preceding year corresponding quarter to RM1.30 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**

	<b>RM'000</b>
In respect of the financial year ended 31 December 2022:	
- Final single-tier dividend of RM0.00250 per ordinary share, paid on 20 July 2023	1,479
Total dividends paid during the financial quarter under review	<u>1,479</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**

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 30-Sep-23 RM'000</b>	<b>As at 30-Sep-22 RM'000</b>
<b><u>Authorised and contracted for :</u></b>		
Purchase order for		
- Property, plant and equipment	1,227	43

**A13. Subsequent Events**

On 10 October 2023, MGB International for Industry (“MII”), a wholly-owned subsidiary of MGB Construction Sdn. Bhd. (“MCSB”), an indirect wholly-owned subsidiary of the Company, had increased its paid-up share capital from 12,500 to 412,500 ordinary shares of SAR10 each share. MCSB has subscribed for an additional 400,000 ordinary shares in MII for a total cash consideration of SAR4,000,000 (approximately RM5,042,400.00) only.

Save as disclosed above, there were no subsequent events as at 13 November 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-Sep-23 RM'000	As at 30-Sep-22 RM'000
<b>Bank guarantees issued for:</b>		
- Construction Contracts	-	72
- Property Development	14,614	2,682
	14,614	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-Sep-23 RM'000	As at 30-Sep-22 RM'000
<b>Income</b>		
Contract revenue	623,557	453,870
<b>Expenses</b>		
Dividends paid	2,193	4,019
Rental expenses paid/payable	148	149
Management fee paid/payable	286	-
	286	-

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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-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22					
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	256,141	154,878	101,263	65.38%	666,495	467,219	199,276	42.65%
Profit before tax	17,896	5,132	12,764	248.71%	50,794	18,795	31,999	170.25%
Profit after tax ("PAT")	12,734	3,419	9,315	272.45%	37,380	10,403	26,977	259.32%

#### Individual Quarter

The Group achieved revenue of RM256.14 million in current financial period which representing RM101.26 million or 65.38% 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 RM80.94 million and increase in property development segment of approximately RM20.32 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 September 2023, the Group recorded revenue of approximately RM666.50 million, representing an increase of approximately RM199.28 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 RM164.93 million and Property Development segment revenue increased by RM34.35 million. The Group's Profit Before Tax ("PBT") recorded increased by RM26.98 million.

The Group's total assets and total liabilities stood at RM1,042.53 million and RM501.47 million respectively as at 30 September 2023. Assets of approximately RM606.86 million or 58.21% and liabilities of RM439.46 million or 87.63% were from the construction and trading segment.

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

	Current Quarter Ended 30-Sep-23	Immediate Preceding Quarter Ended 30-Jun-23	Variance	
	RM'000	RM'000	RM'000	%
Revenue	256,141	232,595	23,546	10.12%
Profit before tax ("PBT")	17,896	16,844	1,052	6.25%
Profit after tax ("PAT")	12,734	12,405	329	2.65%

Comparing the revenue in current quarter against immediate preceding quarter, the construction segment has recorded an increase of approximately RM7.65 million and property development segment an increase of approximately RM15.90 million. Higher revenue recorded in current quarter was contributed by projects such as Kita Sejati, Prestige and Kita Mesra and newly launched of project by property development segment as explained under Note 4.

**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 subsidise 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 evolution from time to time, MGB strike to achieve optimum outcome out of the uncertainties.

Underpinned by existing orderbook of approximately RM1.89 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% mainly due to losses of certain subsidiaries which cannot set off against taxable profits made by other subsidiaries and non-tax deductible expenses.

	<b>Current Quarter 30-Sep-23 RM'000</b>	<b>Current Year to Date 30-Sep-23 RM'000</b>
<b>Income Tax:</b>		
- Current year	5,780	14,361
- Prior year	(349)	(349)
	5,431	14,012
 <b>Deferred Tax:</b>		
- Current year	(269)	(598)
<b>Total Taxation</b>	5,162	13,414

**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 Company's indirect 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 27 July 2023, the Company's indirect wholly-owned subsidiary, MGB International for Industry ("MII") had entered into a Joint Venture Agreement ("JVA") with SANY Alameriah Industrial ("SA"), a limited liability company incorporated at Kingdom of Saudi Arabia, to outline the obligations and responsibilities of each party to collaborate and co-operate with each other by way of a joint venture as set out below:

- (i) SA is desirous of securing Supply and Installation Contracts for a total aggregate minimum amount of Two Hundred Seventy Thousand Cubic Metres (270,000 m<sup>3</sup>) of precast concrete products within three (3) years from the Commencement Date. The Commencement Date is the date which SA and MII have fulfilled their obligations as provided in the JVA during ninety (90) working days transition period starting from the Effective Date, ie. 27 July 2023.
- (ii) During the first year from the Commencement Date, SA needs to secure a minimum order of Ninety Thousand Cubic Metres (90,000 m<sup>3</sup>) of precast concrete products from the clients to supply and install precast concrete products ("Supply and Installation of Precast Concrete").
- (iii) SA is desirous of collaborating with MII for MII to operate SA's precast concrete factory located at Al Lith RD, Jeddah 3rd Industrial City, Jeddah, Kingdom of Saudi Arabia ("Factory") ["Operation of Factory"] for the production of precast concrete products and works to be carried out by MII pursuant to the purchase orders issued by SA to MII for the installation of precast concrete products within the Kingdom of Saudi Arabia ("Installation Works") to cater for the Supply and Installation Contract.

This Agreement has not been completed as the obligations and responsibilities of each party therein have not been fulfilled.

(c) On 6 October 2023, the Company had entered into a Letter of Intent ("LOI") with Malaysian Green Technology and Climate Change Corporation ("MGTC") and LBS Bina Group Berhad ("LBGB"), the holding company of MGB, and Midwest Green Sdn. Bhd. ("Midwest") with the objective of aiming to promote collaboration and innovative renewable energy projects in Malaysia.

The Company, MGTC, LBGB and Midwest collectively referred to as the "Parties".

The LOI serves as general framework for potential cooperation among the Parties and has no legal binding effect. The LOI shall take immediate effect with no expiry date.

Upon finalization of the term of the collaboration by the Parties, the Parties shall enter into a definitive agreement to record their mutual terms in the Proposal Innovative Solar Farm project.

**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)

(d) On 21 October 2023, the Company had entered into a Memorandum of Understanding (“MOU”) and Non-Disclosure Agreement with Almqr Development Co. (“Almqr”), a joint-closed stock company incorporated at Kingdom of Saudi Arabia and Alameriah Real Estate Development Company (“Alameriah”), a limited liability company incorporated at Kingdom of Saudi Arabia, for the purpose to explore the cooperation and investment opportunities in Almadina Almonawara relating to the pioneering, innovative, and distinctive projects, and other projects that have a developmental and social goals, subject to terms and conditions as stipulated in the MOU.

**B7. Borrowings and Debt Securities**

Total borrowings of the Group comprised of the followings:

	As at 30-Sep-23 RM'000 (Unaudited)
<b>Secured</b>	
Term loans	46,235
Revolving credits	17,500
Trade services	6,095
Lease liabilities	20,885
<b>Total</b>	<b>90,715</b>
<b>Current</b>	
Term loans	5,900
Revolving credits	17,500
Trade services	6,095
Lease liabilities	11,964
<b>Total</b>	<b>41,459</b>
<b>Non-current</b>	
Term loans	40,335
Lease liabilities	8,921
<b>Total</b>	<b>49,256</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 quarter under review.

**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-23	30-Sep-22	30-Sep-23	30-Sep-22
Profit attributable to owners of the parent (RM'000)	12,299	3,765	36,317	11,380
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Basic EPS (Sen)	2.08	0.64	6.14	1.92

**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-23	30-Sep-22	30-Sep-23	30-Sep-22
Profit attributable to owners of the parent (RM'000)	12,299	3,765	36,317	11,380
Weighted average number of ordinary shares in issue ('000)	591,653	591,653	591,653	591,653
Diluted EPS (Sen)	2.08	0.64	6.14	1.92

**B11. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Current Quarter Ended 30-Sep-23 RM'000	Current Year To Date Ended 30-Sep-23 RM'000
Interest income	(515)	(898)
Rental income	(81)	(225)
Reversal of impairment losses on receivables	(35)	(592)
Gain on disposal of PPE	(42)	(312)
Gain on disposal of ROU	-	(165)
Impairment losses on receivables	174	714
Depreciation of investment properties	220	661
Depreciation of PPE	2,123	5,484
Depreciation of ROU	2,436	6,745
Finance costs	1,654	4,362

**B12. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 20 November 2023.

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