

META BRIGHT GROUP BERHAD ("MBRIGHT")

Registration No: 200001013359 (515965-A)

Incorporated in Malaysia

**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	As at 31.12.2023 RM <u>Unaudited</u>	As at 30.06.2023 RM <u>Audited</u>
ASSETS		
Non-Current Assets		
Property, plant and equipment	115,141,386	99,334,698
Investment properties	91,983,700	62,593,700
Inventories	701,605	500,000
Other investments	1,875,109	1,616,129
Total Non-Current Assets	<u>209,701,800</u>	<u>164,044,527</u>
Current Assets		
Inventories - Property development cost	48,736,232	48,902,472
Inventories - Completed properties and others	17,529,494	41,768,979
Trade and other receivables	21,546,867	7,507,283
Contract assets	1,972,407	2,155,718
Financing receivables	6,086,675	6,902,965
Tax assets	81,250	45,000
Deposits placed with licensed banks	6,782,413	10,600,785
Cash and bank balances	33,662,042	37,475,318
Total Current Assets	<u>136,397,380</u>	<u>155,358,520</u>
	<u>136,397,380</u>	<u>84,071,024</u>
TOTAL ASSETS	<u>346,099,180</u>	<u>319,403,047</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	191,403,241	184,111,556
Reserves	55,049,274	54,626,522
Total Equity	<u>246,452,515</u>	<u>238,738,078</u>
Non-Current Liabilities		
Lease payables	88,518	100,292
Hire purchase payables	362,404	94,160
Term loans	26,571,435	19,988,010
Trade payables	2,763,778	2,858,590
Deferred tax liabilities	9,580,796	8,157,363
Total Non-Current Liabilities	<u>39,366,930</u>	<u>31,198,415</u>
Current Liabilities		
Trade and other payables	25,709,740	18,837,603
Contract liabilities	20,055,038	21,698,198
Provisions for liabilities	1,812,000	1,812,000
Lease payables	230,703	174,235
Hire purchase payables	53,988	25,793
Term loans	3,069,151	1,982,987
Bank overdraft	9,349,115	4,935,738
Total Current Liabilities	<u>60,279,735</u>	<u>49,466,554</u>
Total Liabilities	<u>99,646,665</u>	<u>80,664,969</u>
TOTAL EQUITY AND LIABILITIES	<u>346,099,180</u>	<u>319,403,047</u>
Net asset per share (sen)	10	12

Notes:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Individual Period		Cumulative Period	
	Current quarter 31.12.2023 Unaudited RM	Preceding year corresponding quarter 31.12.2022 Unaudited RM	6 months ended 31.12.2023 Unaudited RM	6 months ended 31.12.2022 Unaudited RM
<u>Continuing Operations</u>				
Revenue	9,983,818	7,959,379	20,414,872	16,628,185
Expenses excluding finance cost	(12,478,117)	(8,557,367)	(22,534,823)	(15,898,668)
Other operating income	<u>6,422,621</u>	<u>2,127,890</u>	<u>7,049,270</u>	<u>2,267,383</u>
Profit from operations	3,928,322	1,529,902	4,929,319	2,996,900
Finance cost	(465,810)	(407,999)	(982,698)	(799,555)
Profit before taxation	3,462,512	1,121,903	3,946,621	2,197,345
Income tax	<u>(1,423,433)</u>	<u>-</u>	<u>(1,423,433)</u>	<u>-</u>
Net profit for the period	<u>2,039,079</u>	<u>1,121,903</u>	<u>2,523,188</u>	<u>2,197,345</u>
Other comprehensive profit/(loss), net of tax	<u>661,403</u>	<u>(11,147)</u>	<u>548,603</u>	<u>(25,403)</u>
Total comprehensive profit for the period	<u>2,700,482</u>	<u>1,110,756</u>	<u>3,071,791</u>	<u>2,171,942</u>
Earnings per ordinary share attributable to equity holders of the Company (sen)				
Basic profit per share	<u>0.09</u>	<u>0.06</u>	<u>0.11</u>	<u>0.12</u>
Diluted	<u>0.07</u>	<u>0.06</u>	<u>0.09</u>	<u>0.11</u>

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	← Attributable to Owners of the Company →							Total RM
	Share Capital RM	Capital Reserve RM	Warrants Reserve RM	Revaluation Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Currency Reserve RM	Retained Profits/ (Accumulated Losses) RM	
At 1 July 2022	181,667,731	110,238,037	37,970,746	540,183	1,167,250	-	(170,002,763)	161,581,184
Issue of ordinary share	68,615,290	-	-	-	-	-	-	68,615,290
Share issuance expenses	(320,391)	-	-	-	-	-	-	(320,391)
Exercise of warrants	262,888	-	(95,506)	-	-	-	-	167,382
Capital reduction	(66,113,962)	(110,238,037)	-	-	-	-	176,351,999	-
Total comprehensive profit	-	-	-	-	-	-	8,709,081	8,709,081
Other comprehensive loss	-	-	-	-	(12,806)	(1,662)	-	(14,468)
At 30 June 2023	184,111,556	-	37,875,240	540,183	1,154,444	(1,662)	15,058,317	238,738,078
Exercise of warrants	7,291,685	-	(2,649,039)	-	-	-	-	4,642,646
Total comprehensive profit	-	-	-	-	-	-	2,523,188	2,523,188
Other comprehensive profit	-	-	-	-	260,755	287,848	-	548,603
At 31 December 2023	191,403,241	-	35,226,201	540,183	1,415,199	286,186	17,581,505	246,452,515

Notes:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

META BRIGHT GROUP BERHAD ("MBRIGHT")

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**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	Current period to date ended 31.12.2023 RM	Current period to date ended 31.12.2022 RM
	Unaudited	Unaudited
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before income tax expense for the period	3,946,621	2,197,346
Adjustments for:		
Finance income	(481,347)	(213,721)
Finance cost	982,698	799,555
Fair value gain on :		
- investment properties	(5,930,972)	-
Depreciation of property, plant and equipment	2,684,185	1,551,991
Operating profit before working capital changes	<u>1,201,185</u>	<u>4,335,170</u>
(Increase)/decrease in:		
Financing receivables	816,290	(669,546)
Inventories - Property development cost	166,240	(539,403)
Inventories - Completed properties and others	780,457	(24,156,520)
Trade and other receivables	(13,751,735)	(6,715,646)
Trade and other payables	6,777,323	(3,433,056)
Contract assets	183,311	67,783
Contract liabilities	(1,643,160)	(1,880,281)
Net cash flows (used in) operation	<u>(5,470,089)</u>	<u>(32,991,499)</u>
Income tax paid	(36,250)	-
Interest paid	(19,392)	(49,581)
Net cash flows (used in) operating activities	<u>(5,525,731)</u>	<u>(33,041,080)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,035,460)	(4,510,829)
Proceed from disposal of other investment	1,775	-
Land premium on inventories	(201,605)	-
Interest received	481,347	213,721
Change in pledged deposits	3,818,372	(4,340,545)
Net cash flows (used In) investing activities	<u>(13,935,571)</u>	<u>(8,637,653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares (conversion of warrants)	4,642,646	-
Increase in share capital	-	24,800,000
Repayment of term loans	(1,952,735)	-
Interest paid	(963,306)	(749,974)
Drawdown of term loans	9,622,324	-
Increase in term loans due to rescheduling/moratorium	-	390,005
Repayment of hire purchase payables	(20,362)	-
(Repayment)/addition of lease liabilities	(93,920)	315,577
Net cash flows generated from financing activities	<u>11,234,647</u>	<u>24,755,608</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,226,655)	(16,923,125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>33,554,675</u>	<u>26,416,561</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>25,328,020</u></u>	<u><u>9,493,436</u></u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:		
Cash and bank balances	33,409,133	14,158,257
Housing Development Account	252,909	250,406
Deposits placed with licensed banks	6,782,413	10,513,841
Bank overdrafts	(9,349,115)	(5,915,227)
	<u>31,095,340</u>	<u>19,007,277</u>
Less : Deposits pledged with licensed bank	(5,767,320)	(9,513,841)
	<u><u>25,328,020</u></u>	<u><u>9,493,436</u></u>

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**META BRIGHT GROUP BERHAD (“MBRIGHT”)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

EXPLANATORY NOTES

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 30 June 2023, which have been prepared in accordance with the MFRS and the Companies Act 2016.

These explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2023.

A2 Audit qualifications

The auditors’ report on the audited annual financial statements for the financial year ended 30 June 2023 was not subject to any qualification.

Key Audit Matters (“KAM”) highlighted by the auditors were investment properties; property, plant and equipment; inventories, revenue and corresponding costs recognition for property development activities and investment in subsidiaries. Details of the KAM are provided in the audited financial statements for the financial year ended 30 June 2023.

A3 Seasonality or cyclicity of operation

For the financial period under review, the operations of the Group are not subject to material seasonal or cyclical fluctuations except for the Hospitality segment.

A4 Changes in the composition of the Group

For the financial period under review, there were no material changes in the composition of the Group.

A5 Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows because of their nature, size or incidence during the financial period under review.

A6 Changes in estimates

There were no material changes in estimates in the current quarter results.

A7 Debt and equity securities

There were no issuance, repurchase and repayment of debt and equity securities for the financial period under review except for the following:-

During the financial period to-date, there was an issuance of 54,619,362 new ordinary shares pursuant to the conversion of Warrants 2022/2032 at an exercise price of RM0.085 per ordinary share for a total cash consideration of RM4,642,646.

A8 Dividends paid

There was no dividend paid for the financial period under review.

A9 Segmental reporting

The Group's segmental report for the financial year to date is as follows:

	Investment properties RM'000	Leasing & Hospitality financing RM'000	Hospitality RM'000	Investment holding RM'000	Property development RM'000	Energy related RM'000	Others RM'000	Total RM'000
Revenue	1,421	1,211	12,218	-	5,116	449	-	20,415
Results								
Segment profit/(loss)	5,507	537	1,101	(3,585)	742	145	-	4,447
Interest income	-	-	9	331	142	-	-	481
Finance cost	-	(9)	(2)	(7)	(965)	-	-	(983)
Profit before taxation								3,946
Income tax expense								(1,423)
Profit for the period								2,523
Other comprehensive profit, net of tax								549
Total comprehensive profit for the period								3,072

A10 Carrying amount of revalued assets

The carrying value of land and building is based on the valuation incorporated in the audited financial statements for the financial period ended 30 June 2023.

A11 Subsequent material event

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period, other than the Multiple Proposals as disclosed in section (b) of note B5.

A12 Changes in contingent liabilities and contingent assets

There were no known material contingent liabilities and contingent assets of the Group since the 2023 annual report.

A13 Capital Commitments

For the financial year to-date, the Group had approved and contracted for the following capital commitments.

Property, Plant and Equipment	RM'000
Approved and contracted for :	<u>18,801</u>
Approved and not contracted for :	<u>702</u>

ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

Financial review for current quarter compared to preceding year's corresponding quarter and current period compared to preceding year corresponding period :

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Period	
	31 Dec 2023 (RM '000)	31 Dec 2022 (RM '000)		31 Dec 2023 (RM '000)	31 Dec 2022 (RM '000)	
Revenue	9,984	7,959	25	20,415	16,628	23
Operating Profit	3,928	1,530	157	4,928	2,997	64
Profit Before Interest and Tax	3,928	1,530	157	4,928	2,997	64
Profit Before Tax	3,463	1,122	208	3,947	2,197	80
Profit After Tax	2,039	1,122	82	2,523	2,197	15
Other Comprehensive Profit/(Loss), Net of Tax	661	(11)	6,109	549	(25)	2,096
Profit Attributable to Ordinary Equity Holders of the Company	2,700	1,111	143	3,072	2,172	41

The Group recorded a revenue of RM9.98 million for the current quarter, an increase of RM2.02 million compared to the revenue of RM7.96 million in the previous year's corresponding quarter. The increase was mainly attributed to the following segments:

- Property Development segment;
- Leasing & Financing segment; and
- Energy related segment.

B2 Comparison with preceding quarter result

Financial review for the current quarter compared to the immediate preceding quarter:

	Individual Period		Changes (%)
	Current Quarter	Immediate Preceding Quarter	
	31 Dec 2023 (RM '000)	30 Sep 2023 (RM '000)	
Revenue	9,984	10,431	(4)
Operating Profit	3,928	1,001	292
Profit Before Interest and Tax	3,928	1,001	292
Profit Before Tax	3,463	484	615
Profit After Tax	2,039	484	321
Other Comprehensive Profit/(Loss), Net of Tax	661	(113)	686
Profit Attributable to Ordinary Equity Holders of the Company	2,700	371	627

The Group recorded profit before tax of RM3.46 million and RM0.48 million for the current and previous quarter respectively. The higher profit in current quarter is mainly attributed to the one-off fair value gain on reclassification of inventories to investment properties. However, it was offset by higher cost incurred for corporate exercise and banking facilities related expenses and lower profit contributed by hospitality and property development segments.

B3 Group prospects

For the current financial year, the Board is committed to further improve the Hotel building and facilities to remain competitive. On property development segment, the Board has been continuously identifying new opportunities for development projects to provide the Group with new income streams. The Board will continue to adopt a cautious approach for the Group's property development projects and will evaluate all options available to the Group at the material time before launching any particular projects.

For the financial year to date, the Group has diversified its core businesses to include the Energy Related and Equipment Leasing Businesses and at the date of this report, Building Materials business.

Barring any unforeseen circumstances and premised on the outlook of the Energy Related, Equipment Leasing and Building Materials Businesses as disclosed in the respective circulars to shareholders, the Group is optimistic that the growth prospect of these industries will contribute positively to the profit of the Group. Nevertheless, the Group will remain cautious when looking out for business opportunities in the face of current challenging business environment.

B4 Variance of profit forecast and profit guarantee

Not applicable.

B5 Corporate proposal

(a) Shares Issuance

The Company successfully completed the following fund raising exercise on:

9 February 2023 - 20% share issuance of 389,469,246 new ordinary shares at issue price of RM0.1125 per share which raised RM43,815,290.18. The utilisation of the proceeds raised is as follows: -

<u>Details of Utilisation</u>	<u>Proposed utilisation of proceeds</u>	<u>Actual utilisation as at 15.02.2024</u>	<u>Balance to be utilised</u>	<u>Estimated timeframe for the utilisation ("Initial Estimated Timeframe")</u>	<u>Revised timeframe for the utilisation</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>		
Business development for Energy Related Business	18,600	5,676	12,924	Within 12 months	Additional 18 months from the Initial Estimated Timeframe
Refurbishment of The Grand Renai Hotel	10,000	8,514	1,486	Within 12 months	Additional 9 months from the Initial Estimated Timeframe
Other business opportunities	10,000	10,000	-	Within 12 months	No Change
General working capital	4,815	4,815	-	Within 12 months	No Change
Estimated expenses for the Proposed Shares Issuance	400	400	-	Within 2 months	No Change
	<u>43,815</u>	<u>29,405</u>	<u>14,410</u>		

(b) Multiple Proposals

Approvals have been obtained at an Extraordinary General Meeting on 15 January 2024 for the Multiple Proposals as below:

- (i) Proposed subscription and acquisition of 2,520,000 ordinary shares in Expogaya Sdn. Bhd. ("EXPO") ("EXPO Shares"), representing 70.0% of the enlarged issued shares of EXPO, via the following:

(a) subscription of 500,000 EXPO Shares (“Subscription Shares”), representing approximately 13.9% of the enlarged issued shares of EXPO, pursuant to the conditional subscription agreement entered into between MBGB (as the Subscriber), EXPO and Chang Ket Keong (“CKK”) (as the Promoter) on 27 October 2023 (“Subscription Agreement”), for a cash consideration of RM5,000,000 (“Subscription Consideration”), subject to the terms and conditions of the Subscription Agreement;

(b) acquisition of 2,020,000 EXPO Shares (“Sale Shares”), representing approximately 56.1% of the enlarged issued shares of EXPO, pursuant to the conditional shares sale agreement entered into between MBGB (as the Purchaser), and CKK, Beton Chemical Technology Sdn Bhd (“BCTSB”), Fung Chun Fatt (“FCF”) and Chin Swee Yen (“CSY”) (CKK, BCTSB, FCF and CSY collectively, referred to as the “Vendors”) (“CSSA”), for a total purchase consideration of RM23,040,000 (“Purchase Consideration”) which shall be satisfied via the issuance of 98,461,536 new ordinary shares in MBGB (“MBGB Shares” or “Shares”) at an issue price of RM0.234 each (“Consideration Shares”), subject to the terms and conditions of the CSSA;

The above proposal is completed on 31 January 2024 upon payment of the Subscription Consideration of RM5.0 million to EXPO in accordance with the Subscription Agreement and issuance of the MBGB Shares at issue price of RM0.234 per share as the Purchase Consideration.

- (ii) Diversification of the existing business of the Group to include manufacturing, trading and supply of building materials including cement, ready-mixed concrete and its related products as well as provision of related services including transportation services and equipment rental.

B6 Taxation

	3 months		Cumulative	
	Quarter ended		to date	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Income tax	-	-	-	-
Deferred tax				
-current year	(1,423)	-	(1,423)	-
	<u>(1,423)</u>	<u>-</u>	<u>(1,423)</u>	<u>-</u>

B7 Group borrowings and debts securities

The Group borrowings, all denominated in Ringgit Malaysia, as at 31 December 2023 are as follows: -

	31/12/2023		30/6/2023	
	Current	Non-current	Current	Non-current
	RM'000	RM'000	RM'000	RM'000
Secured				
Bank overdraft	9,349	-	4,936	-
Hire purchase payables	54	362	26	94
Lease liabilities	231	89	174	100
Term Loan	3,069	26,571	1,983	19,988
	<u>12,703</u>	<u>27,023</u>	<u>7,119</u>	<u>20,182</u>

B8 Changes in material litigation

There were no material litigations for the financial period under review.

B9 Dividend

There was no dividend paid for the financial period under review.

B10 Earnings per share

	3 months ended		Cumulative to date	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the Company				
- from continuing operation	<u>2,039</u>	<u>1,122</u>	<u>2,523</u>	<u>2,197</u>
	<u><u>2,039</u></u>	<u><u>1,122</u></u>	<u><u>2,523</u></u>	<u><u>2,197</u></u>
Number of ordinary share in issue ('000)	2,393,404	1,947,346	2,393,404	1,947,346
Weighted average number of ordinary share in issue ('000)	2,367,953	1,947,346	2,367,953	1,866,477
Profit per share (sen)				
Basic, profit from				
- continuing operations	<u>0.09</u>	<u>0.06</u>	<u>0.11</u>	<u>0.12</u>
Basic, profit for the period	<u><u>0.09</u></u>	<u><u>0.06</u></u>	<u><u>0.11</u></u>	<u><u>0.12</u></u>
Diluted	<u>0.07</u>	<u>0.06</u>	<u>0.09</u>	<u>0.11</u>

B11 Profit for the period

	Current Quarter	Cumulative to date
	RM'000	RM'000
This is arrived at after (charging)/crediting:		
Interest income	215	481
Interest expense	(466)	(983)
Depreciation and amortization	<u>(1,514)</u>	<u>(2,684)</u>

Other disclosure items pursuant to Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.