

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 1st Quarter Ended 30 September 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2021	Preceding Year Corresponding Quarter 30/09/2020	Changes	Current Year To Date 30/09/2021	Preceding Year Corresponding Period 30/09/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	21,880	49,273	-56	21,880	49,273	-56
Cost of Sales	(16,613)	(31,119)	-47	(16,613)	(31,119)	-47
Gross Profit	5,267	18,154	-71	5,267	18,154	-71
Other Income	226	639		226	639	
Interest Income	391	307		391	307	
Operating Expenses	(6,846)	(6,504)		(6,846)	(6,504)	
Finance Costs	(184)	(130)		(184)	(130)	
Share of results of associates	1,202	620		1,202	620	
Profit/(Loss) Before Tax	56	13,086	-100	56	13,086	-100
Tax Expenses	(819)	(3,831)		(819)	(3,831)	
Profit/(Loss) for the period	(763)	9,255	-108	(763)	9,255	-108
Profit/(Loss) attributable to :						
Owners of the Company	(1,645)	5,812	-128	(1,645)	5,812	-128
Non-controlling interest	882	3,443	-74	882	3,443	-74
	(763)	9,255	-108	(763)	9,255	-108
Weighted average no. of shares ('000)	370,807	370,807		370,807	370,807	
(Loss)/Earnings per share attributable to Owners of the Company (sen)						
- Basic	(0.44)	1.57		(0.44)	1.57	
- Diluted	(0.44)	1.57		(0.44)	1.57	

(The unaudited Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 1st Quarter Ended 30 September 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2021	Preceding Year Corresponding Quarter 30/09/2020	Changes	Current Year To Date 30/09/2021	Preceding Year Corresponding Period 30/09/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	(763)	9,255	-108	(763)	9,255	-108
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	1,804	5,103		1,804	5,103	
Foreign currency translation						
- Gain/(loss) on currency translation	(232)	3		(232)	3	
Total Comprehensive income/(loss)	809	14,361	-94	809	14,361	-94
Total comprehensive income/(loss) attributable to :						
Owners of the Company	(73)	10,917	-101	(73)	10,917	-101
Non-controlling interest	882	3,444	-74	882	3,444	-74
	809	14,361	-94	809	14,361	-94

(The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	(Unaudited)	(Audited)
	As At End of Current Quarter 30/09/2021	Financial Year Ended 30/06/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	25,577	27,359
Right-of-use assets	6,611	6,938
Investment properties	44,129	44,129
Investment securities	16,504	22,930
Investment in associates	15,600	14,630
Intangible assets	215	215
Bearer plant	1,440	1,281
Other receivables & prepayments	12,038	12,573
Goodwill	7	7
	122,121	130,062
Current assets		
Inventories	115,462	115,962
Trade receivables	57,629	58,683
Other receivables	20,802	21,246
Contract Assets	15,119	15,119
Tax recoverable	7,816	7,043
Amount due from associates	30,849	31,763
Short-term investments	40,720	40,577
Fixed deposits with licensed banks	10,184	10,149
Cash and bank balances	69,576	69,050
	368,157	369,592
TOTAL ASSETS	490,278	499,654
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	194,303	194,303
Treasury shares	(1,655)	(1,655)
Other reserves	1,110	1,110
Fair value reserves	10,592	14,084
Foreign currency translation reserves	(1,184)	(952)
Retained profits	152,547	148,896
Equity attributable to owners of the Company	355,713	355,786
Non-Controlling interests	13,505	12,623
TOTAL EQUITY	369,218	368,409
Non-current liabilities		
Deferred tax liabilities	8,263	8,263
Loans and borrowings	979	1,864
	9,242	10,127
Current liabilities		
Loans and borrowings	48,967	48,951
Trade payables	23,720	29,054
Other payables	36,300	37,980
Contract liabilities	2,093	5,128
Provision of taxation	738	5
	111,818	121,118
TOTAL LIABILITIES	121,060	131,245
TOTAL EQUITY AND LIABILITIES	490,278	499,654
Net assets per share attributable to owners of the Company (RM)	0.9593	0.9595
No. of Shares issued (net of treasury shares)	370,806,692	370,806,692

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

	End of Current Quarter 30/09/2021	End of Preceding Corresponding Quarter 30/09/2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	56	13,086
Adjustment for :		
Depreciation on property, plant and equipment	2,814	3,428
Depreciation on right-of-use assets	537	146
(Gain) / Loss on disposal of property, plant and equipment	-	(45)
(Gain) / Loss on investment fund	-	(119)
Reversal of impairment loss on trade receivables	(5)	-
Interest income	(391)	(188)
Dividend income	(88)	(7)
Finance costs	184	142
Share of results of associates	(1,202)	(620)
Unrealise (gain) / loss on foreign exchange differences	927	(122)
Unrealise (gain) / loss on investment fund	-	2
Operating profit before working capital changes	2,832	15,703
Change in working capital		
(Increase)/Decrease in inventories	341	2,010
(Increase)/Decrease in receivables	2,041	7,597
Increase/(Decrease) in payables	(7,029)	(6,785)
Decrease/(Increase) in contract assets/liabilities	(3,037)	(12,540)
Cash generated from / (used in) operations	(4,852)	5,985
Taxes paid	(859)	(1,849)
Interest paid	(184)	(118)
Interest received	223	101
Net cash flow (used in)/ generated from operating activities	(5,672)	4,119
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	169	196
Dividend received	88	7
Proceeds from disposal of property, plant and equipment	-	45
Proceeds from disposal of other investment	8,230	-
Purchase of property, plant and equipment	(1,032)	(2,664)
Repayment/(Advance) to associates	-	(122)
Net cash generated from / (used in) investing activities	7,455	(2,538)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	-	(12)
Dividend paid by subsidiary to non controlling interest	-	(2,940)
Proceeds from hire purchase	-	974
Repayment of lease liabilities	(162)	(156)
Repayment of hire purchase	(753)	698
(Repayment)/Drawdown of loan and borrowings	(163)	990
Net cash generated from / (used in) financing activities	(1,078)	(446)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL	705	1,135
Effect of exchange rate changes on cash and cash equivalents	-	4
CASH AND BANK BALANCES AS AT 1 JULY	119,776	75,483
CASH AND BANK BALANCES AS AT 30 SEPTEMBER	120,481	76,622
Less : Fixed deposit under lien	(10,184)	(12,650)
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	110,297	63,972

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

Unaudited Consolidated Statement of Changes in Equity
For the 1st Quarter Ended 30 September 2021

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2021	194,303	(1,655)	1,110	-	-	14,084	(952)	148,896	355,786	12,623	368,409
Total comprehensive income/(loss) for the year	-	-	-	-	-	1,804	(232)	(1,645)	(73)	882	809
Transactions with owners											
Disposal of quoted investment						(5,296)	-	5,296	-	-	-
As at 30 September 2021	<u>194,303</u>	<u>(1,655)</u>	<u>1,110</u>	<u>-</u>	<u>-</u>	<u>10,592</u>	<u>(1,184)</u>	<u>152,547</u>	<u>355,713</u>	<u>13,505</u>	<u>369,218</u>
As at 1 July 2020	194,303	(1,655)	1,110	-	-	(1,222)	(712)	117,961	309,785	17,289	327,074
Total comprehensive income for the year	-	-	-	-	-	5,103	2	5,812	10,917	3,444	14,361
Transactions with owners											
Dividends	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
As at 30 September 2020	<u>194,303</u>	<u>(1,655)</u>	<u>1,110</u>	<u>-</u>	<u>-</u>	<u>3,881</u>	<u>(710)</u>	<u>123,773</u>	<u>320,702</u>	<u>17,793</u>	<u>338,495</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the Interim Financial Report

A1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

A2 Changes of accounting policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2021, except for the adoption of the following Amendments to MFRSs and IFRIC Agenda Decision that are effective for the Group from 1 July 2021:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The initial application of the above new or revised standards is not expected to have any significant impact on the results and financial position of the Group and the Company.

A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year ended 30 June 2021:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The Group will apply the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations that are applicable once they become effective. The adoption of the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group.

A3 Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 30 June 2021 was not subject to any qualification.

A4 Seasonal or cyclical factors

The operations of the Group are not subject to seasonality / cyclicity of operations.

A5 Unusual items

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

A6 Changes in estimates

Not applicable.

A7 Significant related party transactions

There were no significant related party transactions during the financial period under review.

A8 Movement in debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

The details of shares held as treasury shares for the period ended 30 September 2021 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 June 2021	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 30 September 2021	3,075,764	1,654,910

The shares purchased are being held as treasury shares in accordance with Section 127 (16) of the Companies Act, 2016.

A9 Dividend paid

There were no dividend paid during the current quarter.

A10 Carrying Amount of revalued property, plant and equipment

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2021.

A11 Segmental reporting

The segmental information of the Group analysed by activities is as follows:-

3 months ended 30.09.21	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
Revenue									
External Sales	11,859	6,000	3,640	78	207	96	-	-	21,880
Inter-segment sales	-	-	-	2,654	-	847	3	(3,504)	-
Total revenue	11,859	6,000	3,640	2,732	207	943	3	(3,504)	21,880
Results									
Profit/(Loss) from operation	(1,972)	2,593	(447)	(180)	(21)	(942)	(29)	36	(962)
Finance costs	(163)	(1)	(90)	(11)	(8)	(55)	(3)	147	(184)
Share of results in associates	-	436	766	-	-	-	-	-	1,202
Profit/(Loss) before tax	(2,135)	3,028	229	(191)	(30)	(997)	(32)	183	56
Total assets									
Segment assets/ Consolidated total assets	187,625	33,633	170,921	7,300	822	470,792	715	(381,530)	490,278

3 months ended 30.09.20	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
Revenue									
External Sales	20,164	16,996	7,083	215	602	15	-	4,198	49,273
Inter-segment sales	2,627	-	-	2,446	-	3,907	-	(8,980)	-
Total revenue	22,791	16,996	7,083	2,661	602	3,922	-	(4,782)	49,273
Results									
Profit/(Loss) from operation	(2,337)	15,285	2,914	(174)	148	3,021	-	(6,261)	12,596
Finance costs	(96)	-	(19)	(15)	-	-	-	-	(130)
Share of results in associates	-	620	-	-	-	-	-	-	620
Profit/(Loss) before tax	(2,433)	15,905	2,895	(189)	148	3,021	-	(6,261)	13,086
Total assets									
Segment assets/ Consolidated total assets	133,279	30,299	149,388	6,841	685	77,769	-	50,860	449,120

A12 Events subsequent to the balance sheet date

There were no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

A13 Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A14 Capital commitments

The outstanding commitments in respect of capital expenditure at the quarter under review provided for in the financial statements are as follows :

<u>Property, Plant & Equipment</u>	30 September 2021 RM'000
Approved and contracted for - Denominated in RM	<u><u>3,350</u></u>

A15 Changes in contingent liabilities

	The Group		The Company	
	As at 30.09.21 RM'000	As at 30.06.21 RM'000	As at 30.09.21 RM'000	As at 30.06.21 RM'000
Performance and tender bond granted to contract customers	29,465	28,735	-	-

B Bursa Securities Listing Requirements (Part A of Appendix 9B)

B1 Review of performance

	Individual Period (1st quarter)			Cumulative Period		
	Current Year Quarter 30/09/2021 (RM'000)	Preceding Year Corresponding Quarter 30/09/2020 (RM'000)	Changes (%)	Current Year To-date 30/09/2021 (RM'000)	Preceding Year Corresponding Period 30/09/2020 (RM'000)	Changes (%)
Revenue	21,880	49,273	(56)	21,880	49,273	(56)
Profit/(loss) from operation	(962)	12,597	(108)	(962)	12,596	(108)
Profit/(loss) before interest and tax	240	13,216	(98)	240	13,216	(98)
Profit/(loss) before tax	56	13,086	(100)	56	13,086	(100)
Profit/(loss) after tax	(763)	9,255	(108)	(763)	9,255	(108)
Profit/(loss) attributable to Owners of the Company	(1,645)	5,812	(128)	(1,645)	5,812	(128)

During the current quarter, the Group recorded a revenue of RM21.88 million as compared to a revenue of RM49.27 million in the preceding year corresponding quarter. The lower revenue of 56% was contributed from across all of the Group's business segments. The Group's profit before tax was RM0.06 million in the current quarter as compared to RM13.09 million in the preceding year corresponding quarter. The decrease in revenue and profit before tax in the current quarter was mainly due to the activities in Construction, Property Development, Logging and Timber Trading segments were temporary suspended as a result of the full movement control order (FMCO) which has hampered business operations.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 September 2021 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 30/09/2021 (RM'000)	Preceding Year Corresponding Quarter 30/09/2020 (RM'000)	Changes (RM'000)	Current Year Quarter 30/09/2021 (RM'000)	Preceding Year Corresponding Quarter 30/09/2020 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	11,859	20,164	(8,305)	(2,767)	(3,154)	NM
Logging & timber trading	6,000	16,996	(10,996)	3,099	9,993	(6,894)
Property development	3,640	11,281	(7,641)	1,289	6,661	(5,372)
Trading	78	215	(137)	(131)	(123)	NM
Logistic	207	602	(395)	(71)	92	(163)
Investment holding	96	15	81	(1,327)	(383)	NM
Plantation	-	-	-	(36)	-	(36)
Total	21,880	49,273		56	13,086	

* NM = Non-meaningful

Construction Segment

The segment recorded a lower revenue of RM11.86 million in the current quarter as compared to a revenue of RM20.16 million in the preceding year corresponding quarter. The loss before tax for the current quarter was RM2.77 million as compared to a higher loss of RM3.15 million in the preceding year corresponding quarter.

The loss before tax and lower revenue for the current quarter were mainly due to the completion of KTMB's rail track rehabilitation project (Jerantut-Gua Musang) which has been recognized in the previous financial year; and due to the progress of the Group's construction activities was affected by the FMCO.

Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded a revenue of RM6.00 million for the current quarter in comparison to a revenue of RM17.00 million in the preceding year corresponding quarter. The profit before tax in the current quarter was RM3.10 million as compared to RM10.00 million in the preceding year corresponding quarter, a decrease of RM6.90 million.

The lower revenue and profit before tax were due to low production as a result of the nationwide FMCO which affected operations.

Property Development Segment

The Property Development segment recorded a lower revenue of RM3.64 million in the current quarter as compared to a revenue of RM11.28 million in the preceding year corresponding quarter. The profit before tax was RM1.29 million as compared to a profit before tax of RM6.67 million in the preceding year corresponding quarter, a decrease of RM5.37 million.

The decrease in revenue and profit before tax were due to Rica Residence @ Sentul was completed and its progress billing revenue was fully recognized in the previous financial year. The slowdown in sales for the current quarter as a result of the FMCO was another reason for the decrease in revenue.

Trading and Logistic Segments

The Trading segment registered a revenue of RM0.08 million as compared to RM0.21 million in the preceding year corresponding quarter. The segment recorded a loss before tax of RM0.13 million as compared to a loss before tax of RM0.12 million in the preceding year corresponding quarter. The loss before tax and lower revenue for the current quarter were due to lower procurement from the Construction segment.

The Logistic segment registered a revenue of RM0.21 million in the current quarter as compared to a revenue of RM0.60 million in the preceding year corresponding quarter. The segment recorded a loss before tax of RM0.07 million in the current quarter as compared to a profit of RM0.09 million in the preceding year same quarter. The decrease in revenue and loss before tax were in correspondence to the lesser activities in the Logging and Timber Trading segment.

B2 Variation of result against preceding quarter

	Current Year Quarter 30/09/2021 (RM'000)	Immediate Preceding Quarter 30/06/2021 (RM'000)	Changes (%)
Revenue	21,880	46,605	(53)
Profit/(loss) from operation	(962)	171	(662)
Profit/(loss) before interest and tax	240	6,938	(97)
Profit/(loss) before tax	56	6,747	(99)
Profit/(loss) after tax	(763)	4,999	(115)
Profit/(loss) attributable to Owners of the Company	(1,645)	4,827	(134)

In the current quarter ended 30 September 2021, the Group registered a lower revenue of RM21.88 million and a lower profit before tax of RM0.06 million as compared to a revenue of RM46.61 million and a profit before tax of RM6.75 million in the preceding quarter ended 30 June 2021.

The lower revenue and profit before tax were mainly due to the movement restrictions brought by the nationwide FMCO which has hindered our business operations across all the Group's segments.

B3 Current year prospects

Prospects for economic recovery in the near term appear more favourable, supported by the National Recovery Plan's (NRP) systematic re-opening of various economic sectors moving into the fourth quarter of 2021. The growth momentum is expected to improve going into 2022, supported by expansion in global demand, higher private sector expenditure in line with the resumption of economic activities.

In the construction industry, companies have faced disruption in their supply chains and restrictions in their operational sites due to the movement restrictions. However, with the accelerated COVID-19 vaccines rollout, this shows promise on a return to normalcy for the industry. The roll-out of the Johor Bahru–Singapore Rapid Transit System (RTS Link) and Penang Transport Master Plan (PTMP) projects could help jump-start the construction sector together with other projects such as the Pan Borneo Highway, Central Spine Road and Klang Valley Double-Tracking Phase 2 projects. The Group's Construction segment will continue to develop through 2021 to 2022, focusing on our current order book of approximately RM329.7 million and will persist in pursuing opportunities to expand its construction portfolio and procure new construction jobs.

In the property market, buyer-centric incentives such as the extension of the Home Ownership Campaign (HOC) to 31 December 2021 will continue help to stimulate demand for properties. Rica Residence @ Sentul was completed at the end of 2020 and has obtained its Certificate of Practical Completion (CPC) and Vacant Possession (VP). The Group is optimistic that the sales of the remaining units of Rica Residence @ Sentul will improve with the extension of the HOC. The launch of the Group's subsequent Malaysian property development at Kinrara is planned for first half of 2022, subject to market conditions. The Wilds is the Group's latest Australian property development with a soft launch in May 2021. The Wilds is set to be a benchmark in Environmentally Sustainable Design principles and is will become the first carbon-neutral detached housing development in inner Melbourne, with all houses 100 per cent electric and

incorporating a solar panel array. Construction of The Wilds will commence early 2022 and targeted for completion end of next year.

Malaysia's wooden furniture has strong overseas demand and the Ministry of Plantation Industries and Commodities (MPIC) has targeted a 4.5% export growth totaling RM23 billion from Malaysia's timber and timber products sector for 2021. Furthermore, the Malaysian Timber Council (MTC) is confident that the industry will have a relatively strong start and will rebound well in 2022. For the Group's logging and timber trading segment, we have approximately 21,000 acres of working block from our subsidiaries and associate company and this will continue to contribute to the Group's earnings in the future.

The Group has expanded its business into the plantation segment and envisages that this segment may contribute to the future earnings of the Group in the long term. This new line of business was set up in 2019 and the Group is also exploring options to identify suitable businesses or strategic acquisition and will continuously seek such opportunities in this segment.

The Group will continue to bid for potential infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, as well as having excellent track record in completing railway projects on time, we are in a good position to bid for such jobs. In the Malaysian property segment, the Group is on the lookout to expand its property development footprints in the Klang Valley depending on market conditions. While the Group's operations have been affected, we will continue to explore more business opportunities and is committed to continue capitalising our strengths to generate sustainable revenue from its existing or new businesses.

Barring any unforeseen circumstances, the Group is optimistic about the Group's ability to continue to achieve satisfactory performance for the financial year ended 30 June 2022.

B4 **Profit forecast**

Not applicable.

B5 **Profit guarantee**

Claim by the Company against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati") based on Profit Guarantee Agreement.

On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30/09/2021 RM'000	3 months ended 30/09/2020 RM'000	3 months ended 30/09/2021 RM'000	3 months ended 30/09/2020 RM'000
Current period's provision	819	3,831	819	3,831
Under / (Over) provision for the prior years	-	-	-	-
	819	3,831	819	3,831
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	819	3,831	819	3,831

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

B7 Purchase or disposal of quoted securities

A disposal of quoted securities of 19,500,000 units for RM8,217,497.05 during current quarter.

Investment in quoted shares as at 30 September 2021 were as follows :

	RM'000
At cost	5,912
At market value - Shares	16,504

B8 Status of corporate proposals announced

There were no corporate proposal announced during the financial period to date.

B9 Borrowings

The tenure of the Group borrowings classified as follows:-

	30 September 2021		30 September 2020	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<u>Secured</u>				
Term loan	-	-	-	-
Lease liabilities	3,023	979	1,841	2,638
Invoice Finance	944	-	2,674	-
Revolving Credit	45,000	-	25,000	-
	<u>48,967</u>	<u>979</u>	<u>29,515</u>	<u>2,638</u>

B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2021.

B11 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 30/09/2021 RM'000
Not past due	33,476
Past due:	
- less than 3 months	8,423
- 3 to 6 months	5,395
- over 6 months	294
- more than 1 year	10,039
	<hr/> 57,629 <hr/>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

B12 Material litigation

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 30 June 2021 except as disclosed in the following:-

a) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Tan Wee Meng (“Respondent”)

The Claimant issued a Notice of Arbitration dated 1 November 2019 against the Respondent for a sum of RM10,000,000.00 (“**the Claim**”) pursuant to a Director’s Guarantee dated 8 August 2017 given by the Respondent in favour of the Claimant, whereby the Respondent irrevocably and unconditionally undertook to immediately pay on demand to the Claimant any amount due and owing by TYL Land & Development Sdn Bhd (“**TYL Land**”), up to the maximum guarantee amount of RM10,000,000.00, in respect of the whole of the obligations of TYL Land in relation to the Podium Block works of L’Marq Semenyih Project carried out by the Claimant.

Pursuant to the Final Award in the matter of an Arbitration dated 30 December 2020, the Arbitrator has awarded and declared that:-

1. the Respondent shall pay to the Claimant within 14 days from 23 February 2021:-
 - a. the sum of RM10,000,000.00; and

- b. the amount awarded in item 1(a) above or in the event of part payment by the due date, the outstanding balance thereof shall be subject to the addition of simple interest at 5% per annum from the date of this award to the date of payment; and
2. the Respondent shall pay and/or reimburse all the legal costs and expenses, the Arbitrator's fees and the Asian International Arbitration Centre (AIAC) booking fees to the Claimant.

As the Final Award is in favour of the Claimant, our Board is of the view that the outcome is in favour of the Claimant and that there is no exposure of liability to the Claimant save for the legal costs and expenses incurred by the Claimant in the arbitration proceedings.

On 23 April 2021, the Claimant had successfully enforced the Arbitration Award against the Respondent pursuant to Section 38 of the Arbitration Act 2005, by way of an ex-parte Originating Summons ("**Enforcement Order**").

On 21.5.2021, the Respondent applied to set aside the Final Award. On 31.5.2021, the Respondent applied to set aside the Enforcement Order. The Claimant is opposing both setting aside applications. The hearing of the setting aside applications is currently fixed for 28.10.2021.

b) Fajarbaru Builder Sdn. Bhd. ("Claimant") vs Shaw Plaza Sdn. Bhd. ("Respondent")

On 12 March 2019, the Claimant issued a Notice of Arbitration on the Respondent. On 19 April 2019, the Claimant and the Respondent agreed to refer their disputes and differences to Arbitration.

The disputes and differences between the parties arose from the Mutual Termination Agreement dated 25 May 2015 ("**MTA**") relating to the Shaw Parade Project.

Based on the latest report submitted by John Wong who is the quantum expert appointed by the Claimant, he has assessed the value of the final account to be in the sum of RM 36,730,059.96. Upon taking account the payment received by Claimant, there is a sum of RM 9,228,184.63 due and owing to the Claimant.

The Claimant also has a prolongation claim against the Respondent in the sum of RM 7,740,464.94.

The Respondent's counter-claim against the Claimant is the sum of RM9,179,842.03.

Our Board is of the view that the Claimant has a reasonable chance of success against the Respondent.

The maximum exposure of liability to the Claimant is RM9,179,842.03 plus the legal costs and expenses incurred by both parties i.e the Claimant and the Respondent in the arbitration proceedings in the event that the Claimant's claims are dismissed in totality and the Respondent's counter-claims are allowed.

The arbitration's Hearing dates are scheduled to commence from 11-28 July 2022 and 11-31 August 2022.

B13 Dividend

An interim single tier dividend of 1 sen per ordinary share be declared in respect of the financial year ending 30 June 2022.

The interim dividend will be paid on 28 December 2021 to the shareholders whose name appear in the Record of Depositors of the Company on 13 December 2021.

B14 Earnings per share

The **basic earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issued at the end of the period.

The **diluted earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company for the current individual quarter and the current cumulative quarter by the adjusted weighted average number of ordinary shares in issue during the current individual quarter and the current cumulative quarter plus the weighted average number of ordinary shares which deemed to be issued on conversion of warrants and ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 30/09/2021 RM'000	3 months Ended 30/09/2020 RM' 000	3 months Ended 30/09/2021 RM000	3 months Ended 30/09/2020 RM'000
Net (loss)/profit attributable to Owners of the Company	(1,645)	5,812	(1,645)	5,812
Weighted Average Number of shares at the end of the period ('000)	370,807	370,807	370,807	370,807
Basic (loss)/earnings per share (sen)	(0.44)	1.57	(0.44)	1.57

Diluted earnings per ordinary share is not applicable as the Company does not have any convertible instruments.

B15 Profit before taxation

	Current Year Quarter 30/09/2021 RM'000 Unaudited	Current Year To-date 30/09/2021 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(391)	(391)
Dividend income	(88)	(88)
Depreciation	3,351	3,351
Interest expense	174	174
Reversal of impairment loss in trade receivables	-	(5)
Unrealised (gain)/loss on foreign exchange	927	927
Unrealised (gain)/loss on investment fund	4	4

B16 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 25 November 2021.

By Order of the Board
Fajarbaru Builder Group Bhd

Tan Sri Dato' Sri Chan Kong Choy
Chairman

Kuala Lumpur
25 November 2021