

Progressing Towards A **BETTER TOMORROW**



• STABILITY



• VISION

• CONTROL

• DELIVERY

• STRATEGY

• STRENGTH

COVER RATIONALE



Progressing Towards a Better Tomorrow

With the nation's cycling team victorious win at the 2021 Olympics signifying the true hallmark of Olympians, their achievement resonates inspiration that Fajarbaru foresees to break away and move ahead in the race to integrate digital technology and how we operate and deliver value to our customers. As 6 integral parts of a cyclist's bicycle, the handlebar steers our vision, its frame provide structural strength, front wheel guides our strategies, the back wheel balances our delivery, brakes control speed whilst the seat forms our stability. These components move and steer our businesses in the construction, property development, logging and timber trading, plantation and trading by progressing towards a better tomorrow.

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FORM OF PROXY

NOTICE OF ANNUAL GENERAL MEETING



Date : Wednesday, 1 December 2021



Time : 10.00 a.m.



Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan
Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 1 December 2021 at 10.00 a.m.

AGENDA

- | | |
|--|--|
| 1) To receive the Audited Financial Statements for the year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. | (Refer to Explanatory Notes i) |
| 2) To re-elect Mr. Ooi Leng Chooi who retires in accordance with Clause 83 of the Company's Constitution and who being eligible, offers himself for re-election. | Resolution 1 |
| 3) To re-elect Tan Sri Dato' Sri Chan Kong Choy who retires in accordance with Clause 90 of the Company's Constitution and who being eligible, offers himself for re-election. | Resolution 2 |
| 4) To re-elect Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon who retires in accordance with Clause 90 of the Company's Constitution and who being eligible, offers himself for re-election. | Resolution 3 |
| 5) To re-elect Datuk Seri Lau Kuan Kam who retires in accordance with Clause 90 of the Company's Constitution and who being eligible, offers himself for re-election. | Resolution 4 |
| 6) To re-elect Ir. Kong Kam Loong who retires in accordance with Clause 90 of the Company's Constitution and who being eligible, offers himself for re-election. | Resolution 5 |
| 7) To approve the payment of Directors' fees amounting to RM255,000 up to the Twenty-Seventh Annual General Meeting, payable to Non-Executive Directors. | Resolution 6 (Refer to Explanatory Notes ii) |
| 8) To approve the payment of Directors' benefits up to an amount of RM90,000 from 1 April 2021 up to the Twenty-Seventh Annual General Meeting, payable to newly appointed Non-Executive Directors. | Resolution 7
(Refer to Explanatory Notes iii) |
| 9) To approve the payment of Directors' fees amounting to RM430,000 for the period from the Twenty-Seventh Annual General Meeting until the next Annual General Meeting payable to Non-Executive Directors. | Resolution 8 |
| 10) To approve the payment of Directors' benefits up to an amount of RM135,000 for the period from the Twenty-Seventh Annual General Meeting until the next Annual General Meeting payable to Non-Executive Directors. | Resolution 9
(Refer to Explanatory Notes iv) |
| 11) To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2022 and to authorise the Directors to fix their remuneration. | Resolution 10 |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Special Business

To consider and if thought fit, to pass the following resolutions:-

12) Continuation in office as Independent Director

"THAT approval be and is hereby given to Dato' Ismail Bin Haji Omar, who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director."

Resolution 11
(Refer to
Explanatory Notes v)

13) Authority to Issue Share

"THAT pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

Resolution 12
(Refer to
Explanatory Notes vi)

14) Proposed Renewal of Share Buy-back Authority

"THAT subject to the Companies Act, 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorised to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares ("Proposed Share Buy-back") in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder; AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:

- i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii) revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is the earliest."

Resolution 13
(Refer to
Explanatory Notes vii)

15) To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAN KOK AUN (SSM PC No. 201908003805) (MACS 01564)
NIP CHEE SIEN (SSM PC No. 202008003954) (MAICSA 7066996)
Company Secretaries

Kuala Lumpur,
28 October 2021

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes :

1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such member, and where a member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy to attend and vote instead of him at the same meeting. Where a member appoints more than (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
2. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company.
4. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for the Meeting.
6. Depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting.

EXPLANATORY NOTES

- i. Agenda on Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act, 2016 does not require a formal approval of the shareholders, and hence is not put forward for voting.
- ii. To approve the payment of Directors' fees amounting to RM255,000 up to the Twenty-Seventh Annual General Meeting, payable to Non-Executive Directors
The proposed Resolution 6 in item 7 is to seek shareholders' approval on the Directors' fees of RM255,000 payable to Non-Executive Directors.
- iii. To approve the payment of Directors' benefits up to an amount of RM90,000 from 1 April 2021 up to the Twenty-Seventh Annual General Meeting, payable to newly appointed Non-Executive Directors
The proposed Resolution 7 in item 8 is to seek shareholders' approval the payment of Directors' benefit of RM90,000 to Directors' whom were appointed during the year 2021.

The benefits payable to Non-Executive Directors comprise of allowances, benefit-in-kind and other emoluments.

- iv. To approve the payment of Directors' benefits up to an amount of RM135,000 for the period from the Twenty-Seventh Annual General Meeting until the next Annual General Meeting payable to Non-Executive Directors
The proposed Resolution 9 in item 10 is to seek shareholders' approval the payment of Directors' benefit of RM135,000.

The benefits payable to Non-Executive Directors comprise of allowances, benefit-in-kind and other emoluments.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

v. Continuation in office as Independent Director

The proposed Resolution 11 in item 12 is to seek shareholders' approval to retain Dato' Ismail Bin Haji Omar as Independent Director. Dato' Ismail has served in that capacity since August 2011.

The Board has assessed the independence of Dato' Ismail and recommended that he continues to act as Independent Director of the Company based on the following justification:

- Dato' Ismail fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements.
- Dato' Ismail has over time, developed increased insight with the Group's business operations and therefore can contribute to the effectiveness of the Board as a whole.
- Dato' Ismail do not has any conflict of interest as throughout his tenure of office as an Independent Director of the Company, he has not entered into and are not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries.
- Dato' Ismail remains objective and independent in expressing his views and participated in active deliberations and decision making process of the Board and Board Committees in which he is a member. His length of service on the Board and Board Committees do not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.

vi. Authority to Issue Shares

The proposed Resolution 12 in item 13 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate. In order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital and/or acquisitions.

vii. Proposed Renewal of Share Buy-back Authority

The proposed Resolution 13 in item 14 is to empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company.

Please refer to the Share Buy-back Statement dated 28 October 2021, which is released together with the Company's Annual Report 2021.

IMPORTANT NOTE :

As a precautionary measure against the spread of Coronavirus Disease (COVID-19), members are advised to observe the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the National Security Council and other relevant authorities to curb the spread of COVID-19. Only fully vaccinated individuals are allowed to enter the premise which will be capped at 50% capacity. Members must ensure physical distancing of at least one (1) meter and are required to wear face masks at all times.

The Company will closely monitor the COVID-19 situation and reserves the right to take further measures or short-notice arrangements as public health situation changes. Members can check further update on the Twenty-Seventh Annual General Meeting that will be announced on the Bursa Securities and the shareholders are advised to check the Company's announcement(s) made via Bursa regularly.

STATEMENT ACCOMPANYING

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

DETAILS OF MEETING

Twenty-Seventh Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 1 December 2021 at 10.00 a.m.

RE-ELECTION OF DIRECTORS

Director who is standing for re-election in accordance with Clause 83 of the Company's Constitution:

- i) Mr. Ooi Leng Chooi

Directors who are standing for re-election in accordance with Clause 90 of the Company's Constitution:

- i) Tan Sri Dato' Sri Chan Kong Choy
- ii) Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
- iii) Datuk Seri Lau Kuan Kam
- iv) Ir. Kong Kam Loong

Further details of the Directors standing for re-election are set out in the Directors' Profile appearing on page 28 to 31 of this Annual Report.

ATTENDANCE OF BOARD MEETING

Details of the attendance of directors at board meetings are stated on page 32 of this Annual Report.



Rica Residence @ Sentul is a modern sanctuary where convenience and fulfilment, built to coexist harmoniously. Situated in the heart of the city, be greeted with picturesque and lusciously green spaces at various levels of the development.

Rica Residence

SENTUL, KL

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Chan Kong Choy	Chairman, Independent Non-Executive Director
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	Deputy Chairman, Non-Independent Non-Executive Director
Dato' Sri Kuan Khian Leng	Group Chief Executive Officer, Executive Director
Datuk Seri Lau Kuan Kam	Group Executive Director
Ir. Kong Kam Loong	Group Executive Director
Dato' Ismail Bin Haji Omar	Independent Non-Executive Director
Dato' Lim Siew Mei	Non-Independent Non-Executive Director
Ooi Leng Chooi	Independent Non-Executive Director

AUDIT COMMITTEE

Chairman - Ooi Leng Chooi
Members - Tan Sri Dato' Sri Chan Kong Choy
- Dato' Ismail Bin Haji Omar

NOMINATING COMMITTEE

Chairman - Tan Sri Dato' Sri Chan Kong Choy
Members - Tan Sri Dato' Sri Kuan Peng Ching @
Kuan Peng Soon
- Ooi Leng Chooi

REMUNERATION COMMITTEE

Chairman - Tan Sri Dato' Sri Chan Kong Choy
Members - Tan Sri Dato' Sri Kuan Peng Ching @
Kuan Peng Soon
- Dato' Sri Kuan Khian Leng

PRINCIPAL BANKERS

Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
Bangkok Bank Berhad
RHB Bank Berhad
CIMB Bank Berhad

SOLICITOR

Messrs. B B Teh.

COMPANY SECRETARIES

Tan Kok Aun (SSM PC No. 201908003805) (MACS 01564)
Nip Chee Sien (SSM PC No. 202008003954)
(MAICSA 7066996)

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2),
Jalan Ipoh Kecil,
50350 Kuala Lumpur.
Tel : +603 - 4043 5750
Fax : +603 - 4043 5755

BUSINESS ADDRESS

No. 61 & 63, Jalan SS6/12,
Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 - 7804 9698
Fax : +603 - 7804 3698 / 4849
Website : <http://www.fajarbaru.com.my>

AUDITORS

Crowe Malaysia PLT,
Chartered Accountants
Kuala Lumpur Office,
Level 16 Tower C, Megan Avenue II,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : +603 - 2788 9999
Fax : +603 - 2166 1000

REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia.
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222

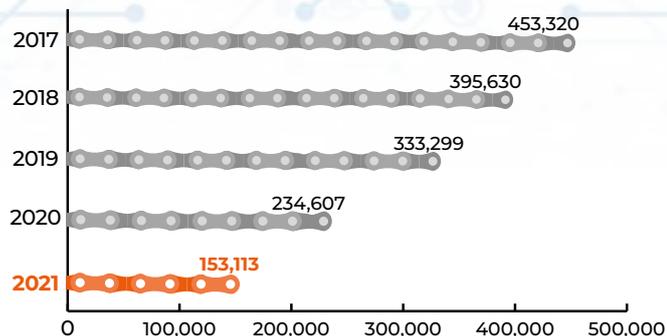
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Bhd
Stock Name: FAJAR
Stock Code: 7047

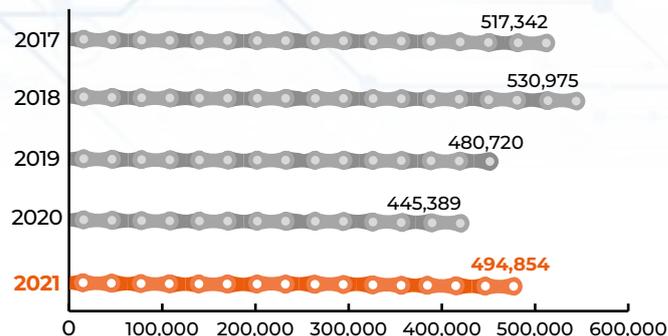
PERFORMANCE ANALYSIS

		2017	2018	2019	2020	2021
Revenue	RM'000	453,320	395,630	333,299	234,607	153,113
Profit / (Loss) before tax	RM'000	107,234	58,636	41,686	38,257	36,954
Profit / (Loss) after tax	RM'000	79,640	40,953	26,510	36,161	28,096
Issued Share Capital	RM'000	189,677	194,275	194,275	194,303	194,303
Shareholders' Funds	RM'000	266,590	287,046	283,023	309,782	355,786
Total Assets	RM'000	517,342	530,975	480,720	445,389	494,854
Earnings per share	Sen	10.71	4.72	3.75	8.75	6.46
Net Assets per share	RM	0.73	0.77	0.76	0.83	0.96

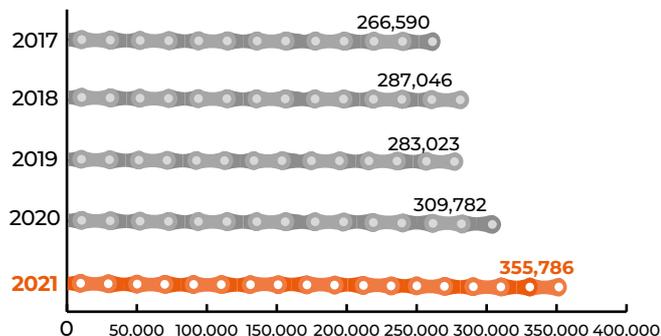
Revenue RM'000



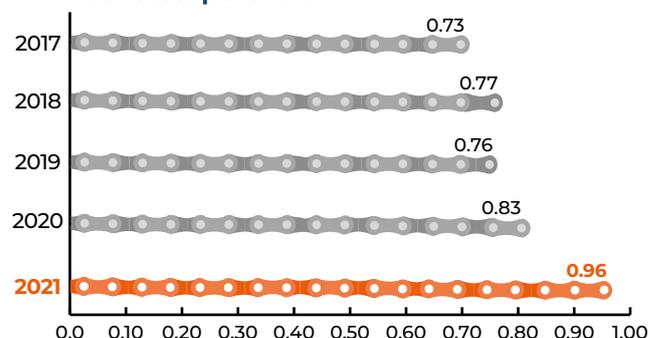
Total Assets RM'000



Shareholders' Funds RM'000



Net Assets per share RM



OUR VISION

TO BE THE MOST VALUED CONSTRUCTION AND
PROPERTY COMPANY IN THE MARKETS WE SERVE.

OUR MISSION

WITH STAKEHOLDER SATISFACTION AS OUR CORE, WE
FURTHER FOCUS ON INDIVIDUAL GOALS TO ACHIEVE THE
BIGGER COLLECTIVE ASPIRATION.



Shareholders

To create value for our shareholders by consistently improving our profitability and growth, and ultimately deliver superior returns on their investment.



Employees

To create value for our employees by providing better growth opportunities.



Customers

To achieve highest level of customer satisfaction through reliable and timely delivery, innovative and cost-effective products and solutions, without compromising on quality and safety.



Communities

To create a sustainable future for our stakeholders and the society by preserving the environment, be responsible, and be active in the development of a better society and economy.



Technology

To constantly update ourselves with the latest technology and embrace it, while utilising relevant skills to improve our efficiency.



Associates

To be the preferred business partner, consultant and supplier; to have a relationship based on respect, professionalism and ethics.



CORE VALUES

THE FAJARBARU GROUP OF COMPANIES LEADS THE WAY IN BUSINESS BY OBSERVING THE FOLLOWING SET OF VALUES:



INTEGRITY

Placing utmost importance on corporate integrity and accepting full responsibility on actions taken within business endeavours.



INNOVATION

Continuous improvement of services rendered with a dynamic approach to challenge existing practices without hesitation.



QUALITY

Commitment to provide products and services of the highest quality in a timely manner to achieve consistent customer satisfaction.



RESPECT

Function collectively as a team to achieve business objectives in an honest and respectful environment by accepting various differences and opinions as being equally valid.



SAFETY

Safety must be at the forefront of decision-making and never compromise the safety of employees, customers, business associates and community.





PARAGON

QUEEN STREET MELBOURNE

Built with only 227 homes spread across 48 levels, experience the beauty of serene living in this luxuriously designed boutique development by world-class architects, Fender Katsalidis.

The architecture is such that it ensures each floor is limited to between four to six residences, allowing maximised prized corner vistas for each home. Experience wholesome living with two floors dedicated to a myriad of resident amenities to rival the world's most exclusive luxury hotels.

The Paragon offers a wealth of botanical beauty featuring restful and regenerative places to unwind or entertain like-no-other, through its abundance of green spaces, and a three storey high urban forest conservatory-like feature, set within the building.





CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Fajarbaru Builder Group Bhd. ("Fajarbaru" or "Group") for the financial year ended 30 June 2021.

This marks my first letter to you since taking on the role of Chairman, it has only been a short time nevertheless, I am delighted to be part of Fajarbaru. I am deeply honoured to lead the Group during this time and would like to thank the Board of Directors for entrusting me to steer the Group towards achieving growth strategies for 2021 and beyond.

TAN SRI DATO' SRI CHAN KONG CHOY
CHAIRMAN

CHAIRMAN'S STATEMENT (CONT'D)

The Malaysian Economy and Industry Trends

In 2020, the global economy experienced its deepest recession as a result of economic disruptions resulting from the containment measures implemented in response to COVID-19 as well as the heightened risk aversion. The global economy contracted by 3.5% in 2020 and amid a highly challenging global and domestic operating environment, the Malaysian economy contracted by 5.6% in 2020 according to Bank Negara's report. The greatest impact came from the second quarter of 2020, with GDP contracting by 17.1%. For the second half of 2020, growth gradually improved and partly supported by improvement in external demand and reopening of the domestic economy amid a more targeted approach to containment measures. The country adopted a comprehensive and complementary policy response to the crisis which played a significant role in cushioning the economic impact of the COVID-19 pandemic on the domestic economy and supporting a growth recovery.

The Malaysian economy registered a smaller decline of 0.5% in the first quarter, it however, expanded by 16.1% in the second quarter of 2021. The imposition of the second Movement Control Order (MCO 2.0) and the continued closure of international borders and restrictions on inter-state travel weighed on economic activity in the first quarter of 2021. In the beginning of the second quarter, economic activities picked up but slowed following the re-imposition of stricter nationwide containment measures under the Full Movement Control Order (FMCO). For the second quarter as a whole, all economic sectors registered an improvement.

In the construction sector, the value of construction work done contracted by 19.4% to RM117.9 billion in 2020 as compared to RM146.4 billion in 2019 with all sub-sectors recorded a decline in the value of construction work done. In the first half of 2021, the value of construction work done recorded RM59.6 billion. Construction 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 may promise a return to normalcy for the construction industry. The rollout of the Mass Rapid Transit Line 3 (MRT3) and Penang Transport Master Plan (PTMP) projects could help jump-start the construction sector together with other mega projects which are also likely to kick off towards the end of 2021 such as the Pan Borneo Highway and the Klang Valley Double-Tracking Phase 2 project. Additionally, the implementation of the Construction Industry Vaccination Program (CIVac) by the Construction Industry Development Board (CIDB) Malaysia, to expedite vaccination among the

construction workforce to achieve the appropriate percentage of herd immunity allowed some sectors in the industry to resume operations when part of their workforce has been vaccinated.

As for the property sector, it recorded a significant decline in 2020 in comparison with 2019 - 295,968 of transactions worth RM119.08 billion compared to 328,647 transactions worth RM141.40 billion respectively. The pandemic was expected to worsen the already troubling issues of record unsold completed properties and poor market sentiment and the property market performance is expected to remain cautious and soft in 2021. However, targeted measures introduced by the government such as Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA) in 2020 as well as Budget 2021 would continue to support the property market.

Malaysia is one of the world's largest exporters of tropical timber products and has established itself as a major producer and exporter of sawn timber, panel products (plywood, medium density fibreboard and particleboard), flooring, doors and other joinery products. The timber industry is a major revenue contributor to the country's economy. In 2020, timber and timber products contributed exports worth RM22.02 billion; a slight decline of 2.1% year-on-year from 2019's RM22.50 billion, and provided employment to more than 140,000 workforce according to the Malaysian Timber Industry Board (MTIB). Despite the slight decline, the achievement was due to strong overseas demand for Malaysia's wooden furniture.

In the durian plantation segment, exports of durian registered an increase of 34.6% in 2020 at RM570.8 million as compared to RM424.1 million in 2019 with the main export destinations being China (70.3%), Singapore (8.3%) and Hong Kong (6.1%). The Malaysian durians had continued to be a massive hit in China, mainly driven by the strong demand and consumption from the Chinese.

FY2021 was indeed challenging for the Group, owing to the economic upheaval and health crisis attributable to the outbreak of COVID-19 pandemic globally. The Group persevered through these challenging economic conditions by continuing to focus on our core competencies, exercising cost optimisation initiatives and improved operational efficiency by adopting to the new norm of working.

CHAIRMAN'S STATEMENT (CONT'D)

Outlook and Prospects



Coming on board as the Chairman amidst the pandemic, our strategic roadmap ahead must take into consideration the challenges and opportunities and continue our focus on building our strengths in the construction and property development sector. The Group needs to maintain our focus on operational efficiencies and strict financial management. Concurrently, we made swift adaptation to the new norms of our business landscape by implementing our business continuity plan (BCP), to remain relevant and minimise operational disruption during this pandemic. I strongly believe this has further fortified Fajarbaru's resilience and collective strength as a Group.

In a report by Bank Negara, it was indicated that for 2021, the Malaysian economy is projected to expand within the range of 3.0% to 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to accelerate going into 2022, supported by normalisation of economic activities as well as the positive spillovers from continued improvement in external demand. The rapid progress of the nationwide vaccination programme is seen as fundamental to deter any new wave of infection spread and will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn across all sectors in the second half of 2021.

The core business for Fajarbaru remains to be the construction segment and we will continue to focus on our current order book and to carry on our effort to bid for future rail construction and infrastructure works. With the Group's good records in completion

of various railway, hospital, road, bridge and airport projects such as the rehabilitation of Jerantut-Gua Musang KTMB track, Ampang Depot and LRT Station, Kelana Jaya LRT Station and Tampin Hospital, I believe we stand a good chance in securing future projects.

The Group's maiden property development in Malaysia, Rica Residence @ Sentul was completed and handed over to purchasers in March 2021 and this is still ongoing. In line with the Malaysian Government's thrust to encourage ownership of affordable houses by the B40 and M40 households, the Group will emphasise the development of affordable housing project with the launch of our property development project in Kinrara, Puchong planned for first half of 2022 subject to market conditions. In Australia, the Group's second property development project in Melbourne, the Paragon was successfully completed and in the process of being handed over to purchasers. Our third property development The Wilds, was launched in the second quarter of 2021 to good response. The Wilds, located in Northcote consists of 15 detached homes is set to be among the first collections of carbon-neutral individual houses close to Melbourne. On these premises, the Group's property development segment is expected to continue to contribute positively and help weather through the current challenges faced by the Group.

Due to strong overseas demand for Malaysia's wooden furniture, 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. Additionally, the Malaysian Timber Council (MTC) is confident that the industry will have a relatively strong start and will rebound strongly next year. For our logging and timber trading segment, the Group has 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.

Durian continues to be one of the most lucrative agricultural crops in Malaysia and with the increased demand from China, the Group envisage that durian business would be viable and enable the Group to diversify its revenue stream and enhance its profitability. The plantation division was set up in 2019 and the Group identified durian plantation as a viable long term business opportunity. In addition, the Group is also exploring options to identify suitable businesses or strategic acquisition and will continuously seek such opportunities in this segment.

CHAIRMAN'S STATEMENT (CONT'D)

Commitment to Corporate Governance and Sustainability

The Board is committed and places great importance of practising high standards of corporate governance, compliance, ethical business conduct and values within the Group of which are vital to the Group's performance and sustainable value creation. The Board continuously updates the Group's policies in line with regulatory requirements and industry best practices; and assumes responsibility towards shareholders and stakeholders in conducting business with integrity, and creating positive economic, environmental and social impacts. These responsibilities are practiced within the Group in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.



In response to the enforcement of the corporate liability provision under the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Section 17A) on 1 June 2020, the Group has established the Anti Bribery and Anti Corruption Policy, which sets out the principles and procedures to curb bribery and corruption in the Group's business activities. In the spirit of accountability and transparency, the Group's Anti Bribery and Anti Corruption Policy as well as our other policies on corporate governance are available on our website at <http://fajarbaru.com.my/investor-relations/corporate-governance/>

With the growing importance of Environmental, Social and Governance (ESG) considerations in business practices, we shall endeavour to undertake more sustainability-related initiatives in the coming years, whilst integrating ESG factors into our decision-making. With the global crisis of COVID-19 affecting the way we work, our sustainability efforts for FY2021 are mainly focused on ensuring the safety, health and well-being

of our employees during this difficult period. For more details of our sustainability efforts, please refer to the Sustainability Statement on page 36 to page 58 of this Annual Report.

Corporate and Business Developments



Throughout the year, the Group undertook a couple of corporate and business developments. On 24 November 2020, the Group announced that an additional investment into the associate company, BFB Project Pty Ltd, by way of subscription of new shares via the wholly owned subsidiary, Fajarbaru Land (M) Sdn. Bhd. of AUD999,900.00.

On 30 November 2020, the Group announced that the provision of additional financial assistance to the associate company, 320 Queen Street Project Pty Ltd of RM4,609,045.72 via Corporate Guarantee to Maybank International Labuan Branch. The Corporate Guarantee is to provide additional securities for the additional financing facilities granted to 320 Queen Street Project Pty Ltd for the Paragon Development in Melbourne, Australia.



On 26 March 2021, the Group accepted a Letter of Award from Malaysia Airports Sdn. Bhd. in respect of the Proposed Development of Business Aviation 1 (BA-1) at part of Lot 1210 (Plot L & H), Sultan Abdul Aziz Shah Airport, Subang, Selangor – Earthwork Package with a contract value of RM3,888,888.00.

CHAIRMAN'S STATEMENT (CONT'D)

On 15 April 2021, the Group proposes to undertake a renounceable rights issue of up to 373,882,456 Rights Shares on the basis of 1 Rights Share for every 1 existing FBG Share held, together with up to 373,882,456 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed (Proposed Rights Issue with Warrants). Bursa Malaysia Securities Berhad had, vide its letter dated 10 May 2021, resolved to approve the listing application for the Proposed Rights Issue with Warrants on 11 May 2021.

On 1 June 2021, the Group incorporated a subsidiary company namely Grand Achievement Sdn. Bhd. for logging and timber trading segment.

On 6 September 2021, the resolution as set out in the Notice of Postponed Extraordinary General Meeting (Postponed EGM) dated 20 August 2021 in regards to the Proposed Rights Issue with Warrants was duly passed by the shareholders of the Company at the Postponed EGM of the Company.

On 8 September 2021, the Group resolved to fix the issue price of the Rights Shares at RM0.10 per Rights Share (represents a discount of approximately 76.74% to the Theoretical Ex-Rights Price (TERP) of RM0.43 per FBG Share) and the exercise price of the Warrants at RM0.43 per Warrant.

Dividends



The Board of Directors has declared an interim dividend of 1.75 sen per share for the financial year ended 30 June 2021 wherein RM6.49 million was paid to the shareholders on 30 December 2020.

Moving Forward

The Group will maintain to practice a prudent approach to manage its business operations and we will continue to deliver with the highest standards of excellence, transparency and integrity. The Board envisage the Group to achieve satisfactory results for the next financial year and will work towards the goal to enhance the performance and value of Fajarbaru.

Appreciation

On behalf of the Board of Directors, I would like to sincerely thank our stakeholders for your continued support and trust. With the challenging times ahead, we will work to emerge stronger from a post-pandemic world.

I would like to express gratitude and thanks to our Board of Directors for their unwavering support, wise counsel and strategic direction in the past year as well as in previous years. The Board and I would like to place on record our appreciation to both Dato' Ir. Low Keng Kok who resigned as Chairman and Mr Foong Kuan Ming who retired as Independent Non-Executive Director on 1 April 2021 for the years of service and invaluable contributions rendered to the Group. I would also like to take this opportunity to welcome Datuk Seri Lau Kuan Kam who joined the Group on 3 December 2020 as Group Executive Director. A warm welcome as well to Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon and Ir. Kong Kam Loong to the Board of Directors as Non-Independent Non-Executive Deputy Chairman and Group Executive Director, effective from 1 April 2021.

To the management and employees, I especially thank you for your dedication and great effort in response to COVID-19 pandemic in the past year. As the Group undertakes new challenges and opportunities ahead, we must adopt a learning mindset and embrace fresh perspectives to meet the demands of the new norm of working. I am confident that we will see successful outcomes just as we have consistently delivered in the past.

Tan Sri Dato' Sri Chan Kong Choy
Chairman

CORPORATE STRUCTURE





THE WILDS

MERRI CREEK

The Wilds is a sensitively designed collection of 15 houses on the banks of Merri Creek. Crafted by Edition Office, this is an exceptionally rare opportunity to live next to nature in the heart of Northcote in an architecturally designed home that blurs the boundary between open interiors, lush gardens, native landscapes and a welcoming neighbourhood. The Wilds is a place to reconnect, and rediscover the nature of living well. Residents will have the privacy of their own garden, yet will reap the benefits of belonging to a boutique community.

The Wilds will become inner Melbourne's first carbon neutral detached housing project, responding to consumers shifting priorities. These well-designed and tastefully crafted homes are being developed with consumer preferences for health, well-being and sustainability as priorities and will aim to set a new stand in environmentally sustainable design principles. The houses will be 100% electric and will include an array of solar panels, ensuring the houses run entirely without the use of fossil fuels.



MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis provide shareholders an overview and better understanding of the Group's financial and operational performance for the financial year ended 30 June 2021. The information in this management discussion and analysis should be read in conjunction with the Group's consolidated financial statements and the notes related thereto. The discussion of results, causes and trends should not be construed to imply any conclusions that such results, causes or trends will necessarily continue in future.

INDUSTRY REVIEW AND OUTLOOK



FY2021 has been a year like no other with periodic resurgences of COVID-19 outbreaks across the world with impact that has caused socio-economic uncertainties. The financial year under review was a demanding and challenging year for the Group as we navigated through unprecedented market challenges stemming from COVID-19.

According to Bank Negara Malaysia, the Malaysian economy was on track for a broad recovery in 2021 as compared to last year. However, growth may be hampered due to the resurgence of COVID-19 cases which had resulted in the imposition of nationwide containment measures. Nevertheless, the impact will be partially mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Earlier in March 2021, growth forecast by Bank Negara Malaysia was a projection of between 6.0% to 7.5%. Bank Negara Malaysia has since revised the projection to be within the range of 3.0% to 4.0% and recovery will be uneven across different economic sectors. The dampening in growth is due to the

rapid resurgence of cases around May 2021 that had led to the implementation of Full Movement Control Order (FMCO) on 1 June 2021 and the impact of containment measures. However, Malaysia's growth is expected to remain on a recovery path, supported by stronger external demand, faster progress in vaccination rate and the continued targeted policy support for households and businesses.

With the MCO (Movement Control Order) in 2020 and recently FMCO in June 2021 coupled with stricter Standard Operating Procedures (SOPs) being enforced in Malaysia, complete halts and slower construction progress has caused delay in many projects. As the Group strategised how to tackle these new operating challenges, we had to think of ways to manage the health and safety of our employees while minimising disruptions to work. Despite constraints of movement control orders, we also need to ensure that we meet customers' expectations. To minimise disruptions to work, the Group swiftly implemented our business continuity plan (BCP) to ensure all our business activities continue to function accordingly. The Group implemented flexible working arrangement such as work

from home and split team working, to protect the health and welfare of our employees while ensuring smooth operations of our business.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

In 2020/2021, the Group via its three core business segments, namely Construction, Property Development and Logging and Timber Trading delivered satisfactory financial performance despite the challenging conditions since the outbreak of COVID-19 in 2020 and the various MCO imposed by the government. The unprecedented COVID-19 outbreak has adversely impacted global economy and our way of life, compelling us to adapt to new normal in the running of our business.

GROUP FINANCIAL REVIEW

Financial Performance

For the financial year ended 30 June 2021, the Group reported a lower consolidated revenue of 34.8%, at RM153.1 million, as compared to RM234.6 million in the preceding year. This was mainly attributable to lower contribution from Logging and Timber Trading Segment, Construction Segment and the Trading Segment.



The Group's profit before tax (PBT) in financial year under review was RM37.0 million, a decrease of 3.4% from RM38.3 million in the preceding year. The Group's performance and results have been impacted due to the COVID-19 pandemic and the prolonged MCO throughout the financial year. The various MCO imposed from March 2020 to the very recent full lockdown in June 2021 have caused disruptions to the Group's operations.

The Group believes in continuous building of shareholders value and in sharing our success while at the same time upholding fundamental investment funds for the Group's strategic growth. The Group's balance sheet

remains strong, with minimal borrowings and the cash reserves at a healthy level. As at 30 June 2021, total assets of the Group was at RM494.9 million (FYE2020: RM445.4 million) while the gearing ratio stood at a manageable 0.13 times.

Construction Segment

Construction Segment continues to be the main contributor of revenue for Fajarbaru. The revenue in this segment recorded a decrease of RM73.5 million; from RM178.7 million in the preceding year to RM105.2 million in the financial year 2021. The lower revenue for the financial year were mainly due to KTMB's rail track rehabilitation project (Jerantut-Gua Musang) had completed in April 2021 and hence lesser work progress during the year in review. The PBT has decreased to RM5.4 million from a PBT of RM27.3 million in the preceding year. The PBT decreased in the current year was due to the completion stage of KTMB's rail track rehabilitation project as well as restrictions due to MCO have also slowed down work progress for other projects. The higher PBT in the preceding year was due to the finalisation of major projects in 2019 and 2020.

Property Development Segment

Property Development Segment recorded a slight decrease in revenue from the preceding year compared to the current year under review; from RM46.7 million to RM38.7 million. However, the PBT has increased from RM3.0 million in the preceding year to RM15.6 million in the current year under review.

The lower revenue was due to its property development Rica Residence @ Sentul has been completed. The increase in PBT was due to the recognition of final stages of work done for Rica Residence @ Sentul. Rica Residence @ Sentul has obtained Certificate of Completion and Compliance (CCC) in February 2021 and issued Notice of Vacant Possession to its purchasers on 10 March 2021. Another reason for the increase in PBT was due to the completion of the Group's Australian property development project Paragon in the last quarter of the financial year.

Logging and Timber Trading Segment

For the Logging and Timber Trading Segment, the revenue decreased from preceding year compared to the current year under review; a reduction from RM30.2 million to RM22.7 million. The PBT for the current year under review is RM10.6 million as compared to RM7.6 million in the preceding year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The decrease in revenue was due to end of production for the current block and restrictions faced during MCO while the increase in PBT for the financial year was due to bad debt recovery and operation expenses reduction. The Group through its subsidiaries and associate company have approximately 21,000 acres of working block which will contribute to the Group's earnings in the future.

Trading and Logistics Segments

The Trading Segment recorded a decrease of approximately RM9.8 million in revenue; from RM22.3 million in the preceding year as compared to the current year under review of RM12.5 million. The Segment recorded a loss of RM547,000 in the current year under review as compared to the preceding year loss before tax of approximately RM72,000.

In the Logistics Segment, revenue decreased slightly by RM6,000 in the current year under review, from RM1.173 million in the preceding year to RM1.167 million in the current year. The segment recorded a loss before tax of approximately RM874,000 for the current year under review as compared to a loss before tax of RM167,000 in the preceding year. The decrease in revenue and the loss before tax were in correspondence with the decrease in the Logging and Timber Trading Segment as the Logistics Segment provides services to this segment.

REVIEW OF OPERATIONS

CONSTRUCTION

The Group's Construction Segment will continue to develop through Year 2021/2022, focusing on project execution for our current order book of approximately RM339.0 million to deliver a sustainable level of revenue and profits. The Group is cautiously optimistic of the prospects and will continue to pursue opportunities to expand its construction portfolio and procure new construction jobs to replenish its outstanding orderbook as part of its long-term growth strategy. Having successfully completed various construction and infrastructure projects such as hospital, railway, road, bridges and airport, the Group is capable and will continue its efforts to bid for upcoming building construction, railway and infrastructure jobs.

PROPERTY DEVELOPMENT

The extent and pace of recovery in the property sector will hinge on whether COVID-19 can be effectively addressed and will be dependent on the pace and effectiveness of the ongoing vaccination programme towards developing herd immunity. Buyer-centric

incentives such as the extension of the Home Ownership Campaign (HOC) to 31 December 2021 will help to stimulate demand for properties. The HOC has been effective since its implementation and the government's decision to extend the campaign is a welcome move towards supporting the industry. Recovery is expected to be gradual due to the adverse impact on economic activities brought by COVID-19.

Completed Projects – Klang Valley

Rica Residence @ Sentul



Located in Jalan Kovil Hilir, the 39-storey serviced apartment project with a gross development value of RM270 million has 473 units with built-ups ranging from 650 sq ft to 1,200 sq ft. The project was completed at the end of 2020 and obtained its Certificate of Completion and Compliance (CCC) in February 2021. The Group is optimistic that the sales of the remaining units of Rica Residence @ Sentul will improve with the extension of the HOC to 31 December 2021. Sentul is a very mature and well-connected location. There are established schools in the vicinity such as the Wesley Methodist School, SMK La Salle Sentul and Convent Sentul secondary school. It is only about 6km to the Kuala Lumpur City Centre area and is well connected by major roads and highways. It is also within walking distance to the KTM Sentul station and Sentul West station of the future Mass Rapid Transit (MRT) Line 2 set for completion in 2021. Nestled at a

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

pivotal location in the city, Rica Residence @ Sentul is a modern sanctuary where convenience and fulfillment come together harmoniously. A beautiful and generous landscaped park welcomes residents as they reach their homes. Set against a backdrop of clean lines, the facade is accentuated by a green spine with communal garden spaces at various levels.

Completed Projects – Melbourne, Australia



Paragon

Paragon, an award-winning 48-level residential tower on a prominent corner of Melbourne's CBD. Redeveloping and retaining the iconic façade of the Melbourne Celtic Club on this site, the tower has been designed to accommodate 227 residences with an "urban forest" – transforming a piece of the cityscape into a private sky garden. Paragon has achieved a 5 Star Green Star rating, with eco-friendly features including a rainwater harvesting system, the largest vertical installation of photovoltaic solar panels in Australia, and shared e-bikes.

The Paragon was completed in the middle of 2021 and is currently in the process of being handed over to purchasers. With approximately RM600 million gross development value, the property has won the Asia Pacific Property Awards: Best Residential High-Rise Development, iProperty Development Excellence Awards: Best International Development and AREA Gamechanger of the Year.

Upcoming Projects – Klang Valley

Kinrara

The launch of the Group's property development at Kinrara is planned for first half of 2022, subject to market conditions. This development with a land area of 6.41 acres comprise of a 38-storey and a 39-storey residential blocks. The Affordable Homes or "Rumah Mampu Milik" development has a total of 1,604 units with a build-up of approximately 900 sq ft and an estimated gross development value of RM481.2 million.

Upcoming Projects – Melbourne, Australia



The Wilds

The Wilds is the Group's newest and most innovative residential unit consisting of a collection of 15 carbon-neutral homes located on the banks of Merri Creek in Northcote. With a soft launch in May 2021, the development aspires to set a benchmark in Environmentally Sustainable Design principles and is set to become the first carbon-neutral detached housing development in inner Melbourne, with all houses 100 per cent electric and incorporating a solar panel array. Passive solar design will be implemented at The Wilds to minimise energy use, while insulation and double glazing further reduces the homes' carbon footprint. The 15 homes are all designed and orientated to maximise light, warmth and air, and will include solar panels, rainwater harvesting systems, cross ventilation, insulation, shading and electric car chargers. With an estimated gross development value of approximately RM126.7 million (AUD41.28 million), construction will commence early next year with completion slated for the end of 2022.

LOGGING AND TIMBER TRADING

The Group's Logging and Timber Trading segment will continue to contribute to the Group's revenue when permit of work for the new blocks is approved. The Group through its subsidiaries and associate company has approximately 21,000 acres of working block and this will continue to contribute to the Group's earnings in the future.

The Group operates its logging activities at the following timber concession areas:-

- Hutan Simpan Yong, Jerantut, Pahang - with 8.9% remaining acres yet to be logged; and
- Hutan Simpan Som, Hutan Simpan Tekam and Hutan Simpan Tekai Tembeling (Tambahan), Jerantut, Pahang - with 60.7% remaining acres yet to be logged.

After carrying out the logging activities, the abovementioned concession areas are surrendered back for reforestation or replanting of oil palm.

In addition, the Group also has been appointed as the sole and exclusive contractor for the concession rights to extract and remove timber logs in accordance to Malaysian Criteria and Indicators (MC&I) and MS ISO 2000:2008 standards and guidelines, save for the 32 species of trees which comprise of fruit trees and other trees that serve as food sources for fauna, from the following timber concession areas:-

- Hutan Simpan Tekai Tembeling, Jerantut, Pahang (approximate area of 1,000 acres);
- Hutan Simpan Berkelah, Jerantut, Pahang (approximate area of 1,423 acres); and
- Hutan Simpan Tekai Tembeling, Jerantut, Pahang (approximate area of 500 acres).

PLANTATION

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 strategic direction will enable the Group to diversify its revenue stream with recurring income in the future.

This new line of business was set up in 2019, and the Group had earmarked durian plantation as a viable business to venture into in the long term. Additionally, the Group intends to explore opportunities in the agriculture sector and evaluate potential lands to increase its revenue and enhance its strategic position. The Group will make the necessary announcements in accordance with the Listing Requirements as and when new businesses which are likely to materialise have been identified.

LOOKING AHEAD

Going forward, the Group will continue to focus on its core businesses of construction, property development and, logging and timber trading. The Group will also explore opportunities in the trading of construction materials, provision of transportation and logistics services, and



investment holding activities. Additionally, the Group had set up a new business venture in plantation and commenced planting of durian trees within existing agricultural land located in Mukim Si Rusa, Port Dickson. Furthermore, the Group had in August 2020 obtained a moneylender license issued by the Ministry of Housing and Local Government and is exploring opportunities in this business sector to generate future revenue for the Group.

Construction will remain the Group's main revenue driver and it has an established track record in participating in and completion of various construction and infrastructure projects such as hospital, railway, road, bridges and airport projects. The Group's prospect in the construction industry is, to a certain extent, dependent on the continuation of major infrastructure projects such as the Mass Rapid Transit Line 3 (MRT 3) as well as the rollout of mega infrastructure projects such as the Klang Valley Double-Tracking Phase 2, Johor Bahru-Singapore Rapid Transit System (RTS Link) and High-Speed Rail (HSR) as well as other construction and infrastructure

projects such as hospitals and railway track maintenance projects. Recovery from the COVID-19 pandemic will be very much depended on large-scale infrastructure projects as they are main drivers of economic growth and the Group is expected to benefit from the increased construction activities associated with these projects, including potential developments of the surrounding areas.



As part of the long term growth objective for property development arm, the Group remains focused on the planned developments of its property projects in Malaysia. The launch of the Group's subsequent property development at Kinrara is planned for first half of 2022, subject to market conditions. The property development project will consist of affordable housing, in tandem with the government's drive for such projects.

The Group envisions to further expand its foothold in the Australian market by launching new property developments via joint-ventures and acquisitions. Despite the current lockdown in Australia due to increased COVID-19 cases, the Group believes that the Australian property development market has a long term growth potential and will provide a healthy income for the Group.

The Group is on the look-out for strategic areas for logging and timber extraction opportunities to replenish and expand its source of income from the logging and timber trading segment. The Group is in preliminary discussion with timber concessionaire / rights holder and timber operators as well as in the midst of exploring strategic locations that can ensure economic viability in the long run.

In order to expand the Group's durian planting initiatives under the plantation segment, the Group intends to secure or accumulate more land parcels for plantation activities, as means to boost up the business growth for durian sales in the longer term upon ready for harvesting. The Group may consider working with the plantation landowners under a contract farming basis for the right to use the land for a period of time, in which the Group will bear responsibility to plant, operate, maintain and harvest the orchards from the plantation land. The Group is currently on the look-out to source for any potential engagement with landowners for purpose of undertaking such business arrangement, taking also into consideration factors such as suitable and strategic location (i.e. soil condition, terrain and size of location) for durian plantation activities.

In view of these tough business challenges, the Group has taken tremendous effort to mitigate the effects of the ongoing COVID-19 pandemic and proactively address our BCP in order to best manage our businesses, as well as seek out worthwhile growth opportunities. Despite the challenging outlook, the Group expects the performance of its business segments to remain resilient, as these segments' operations are substantially essential in nature, and will continue to closely monitor the related risks and impact on all business segments. Great importance will continue to be given to prioritise the safety and well-being of our employees, customers, business associates as well as the general public and communities in which we operate as the Group navigates through the challenges ahead.

Dato' Sri Kuan Khian Leng
Group Chief Executive Officer

BOARD OF DIRECTORS



TAN SRI DATO' SRI CHAN KONG CHOY



CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Dato' Sri Chan, aged 66, male, a Malaysian was appointed to the Board on 1 April 2021. Tan Sri Dato' Sri Chan Kong Choy started his career in 1980 as a Language Teacher, Malaysia Agriculture University (now known as University Putra Malaysia) where he remained until 1985. In 1986, he was appointed as the Political Secretary to the Minister of Housing & Local Government. He was elected as the State Assemblyman for Tanah Rata the same year and was later appointed as an EXCO member of the Pahang State Government where he remained until 1990. He was the Member of Parliament for Lipis, Pahang from 1990 to 1995 and Selayang, Selangor from 1995 to 2008. He was the Deputy Minister of Culture, Arts & Tourism from 1990 to 1995. He was appointed as the Deputy Minister of Energy, Communications & Multimedia in 1995 to 1999 and then the Deputy Minister of Finance from 1999 to 2003. He became the Minister of Transport in 2003 until 2008.

Tan Sri Dato' Sri Chan was the Independent Non-Executive Director and Chairman of the Remuneration Committee in Nirvana Asia Ltd, a company listed on Hong Kong Stock Exchange, from 2014 to 2016. He is currently the Adjunct Professor to the Faculty of Arts and Social Sciences, University of Malaya. He was appointed to this position in 2017. He is also a Non-Independent Non-Executive Chairman of P.A. Resources Berhad.

Tan Sri Dato' Sri Chan is the uncle of Ir. Kong Kam Loong, Group Executive Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

Tan Sri Dato' Sri Chan is the Chairman of the Nominating and Remuneration Committee as well as a member of the Audit Committee of the Company.



TAN SRI DATO' SRI KUAN PENG CHING @ KUAN PENG SOON



DEPUTY CHAIRMAN, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Dato' Sri Kuan, aged 76, male, a Malaysian was appointed to the Board on 1 April 2021. Tan Sri Dato' Sri Kuan is a qualified electrical engineer and member of the Institution of Engineers, Malaysia (IEM). He joined Fajarbaru Builder Group Bhd as a Director and Non-Executive Chairman from 2006 to 2012. He was re-designated as Executive Chairman from 2012 until 2015. He was then re-designated as Non-Executive Chairman until 2016. He is also a Non-Independent Non-Executive Deputy Chairman of Star Media Group Berhad and on the Board of Trustee of Star Foundation.

Tan Sri Dato' Sri Kuan is the father of Dato' Sri Kuan Khian Leng, Group Chief Executive Officer of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

Tan Sri Dato' Sri Kuan is a member of the Nominating and Remuneration Committee of the Company.

BOARD OF DIRECTORS (CONT'D)

**DATO' SRI KUAN KHIAN LENG**

GROUP CHIEF EXECUTIVE OFFICER,
EXECUTIVE DIRECTOR

Dato' Sri Kuan Khian Leng, aged 45, male, a Malaysian, was appointed to the Board on 22 June 2017. He graduated with a Bachelor in Civil Engineering (First Class Honours) and Master in Management Science & Operational Research from University of Warwick, United Kingdom.

Dato' Sri Kuan started his career as a Civil and Structural Engineer in Sepakat Setia Perunding Sdn Bhd in year 2000. In March 2002, he joined Citibank Berhad as Assistant Manager and subsequently held several managerial positions in the Marketing, Project Management and Risk Management departments. In July 2006, he held the position of Business Intelligence Head in Kuwait Finance House (Malaysia) Berhad. He served as the Executive Director of Mexter Technology Berhad from June 2007 to December 2015, overseeing the operations, business development and marketing activities of the Company.

Dato' Sri Kuan has more than 20 years of experience in the banking, ICT, engineering and construction industries. He is currently the Group Chief Executive Officer and Executive Director of the Company and his main responsibilities include day-to-day business operations and development, strategic planning, management decisions and formulation of policies and procedures. He is currently the Secretary-General and Council Member of Master Builders Association Malaysia (MBAM). He is also an Independent Non-Executive Director of Spritzer Bhd and OKA Corporation Bhd.

Dato' Sri Kuan is a son of Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon, a substantial shareholder and Deputy Chairman of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

Dato' Sri Kuan is a member of the Remuneration Committee of the Company.

**DATUK SERI LAU KUAN KAM**

GROUP EXECUTIVE DIRECTOR

Datuk Seri Lau Kuan Kam, aged 58, male, a Malaysian was appointed to the Board on 3 December 2020. Datuk Seri Lau began his career in 1981 as a Sales & Marketing Representative with Union Auto Mobil after graduating from high school. In 1987, he joined Bio-Organo Fertilizer Sdn Bhd as Marketing Manager. In 1990, Datuk Seri Lau founded Twin Arrow Fertilizer Sdn Bhd in the field of manufacturing fertilizer product. Over the decades, Twin Arrow Group has grown into one of the largest manufacturers of compound, compact, mixtures and organic hybrid fertilizers in Malaysia. Datuk Seri Lau was awarded numerous entrepreneurship recognition and titles throughout the years such as Malaysia Golden Entrepreneur Award and so on. He is also the founder of Rahmat Dhuha Palm Oil Plantation Sdn Bhd and Zan Dong Sdn Bhd for palm oil and durian fruit plantation. He possesses passion, great knowledge and experience in plantation management.

Datuk Seri Lau was appointed as Independent Director of P.A. Resources Bhd (PARB) on August 2014 and was re-designated as the Chairman of the board on November 2015. Two years later, he was subsequently appointed as Group Managing Director of PARB and strategised better growth for the aluminum manufacturing industry.

Datuk Seri Lau is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

BOARD OF DIRECTORS (CONT'D)



IR. KONG KAM LOONG

GROUP EXECUTIVE DIRECTOR

Ir. Kong Kam Loong, aged 44, male, a Malaysian was appointed to the Board on 1 April 2021. Ir. Kong is a Professional Engineer registered with the Institute of Engineers Malaysia (IEM), a Registered Professional Engineer with the Board of Engineers Malaysia. He has more than 20 years of experience in the construction industry involving in civil and structural design, planning and management for site operations. His main responsibilities include day-to-day business operations for the Construction, Property Development, Logistics and Trading divisions.

Ir. Kong is a nephew of Tan Sri Dato' Sri Chan Kong Choy, Chairman of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.



DATO' ISMAIL BIN HAJI OMAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ismail Bin Haji Omar, aged 82, male, a Malaysian, was appointed to the Board on 13 November 1997. He obtained a Bachelor of Economics (Honours) Degree from the University of Western Australia, Australia in 1965. He started his career with the Government in 1966 at the Ministry of Commerce and Industry as an Assistant Controller in the Export Commodities Division. Subsequently in 1970, he was promoted to the position of Deputy Controller. He joined the Ministry of Primary Industries as Principal Assistant Secretary in 1972 and in 1975, he was promoted to Secretary, Rubber Division, Ministry of Primary Industries. In 1979, he was promoted to the Deputy Secretary in the Cabinet Division of the Prime Minister's Department and served there for two (2) years. He was made the Director of Agriculture Division in the Economics Planning Unit in the Prime Minister's Department for two and a half (2 ½) years from 1982 to 1984.

In July 1984, he was transferred to the Ministry of Education as Secretary of Development and Supply Division, a post which he held for eight and a half (8½) years till 1993 and also sat on the Board of Rubber Research Institute for ten (10) years from 1968 to 1978. He had also served on the Malaysian Rubber Research & Development Board, Malaysian Rubber Exchange and Licensing Board and Malaysian Rubber Development Corporation.

Dato' Ismail is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

Dato' Ismail is a member of the Audit Committee.

BOARD OF DIRECTORS (CONT'D)

**DATO' LIM SIEW MEI**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Lim Siew Mei, aged 39, female, a Malaysian, was appointed to the Board on 1 March 2018. She graduated with a Master of Banking and Finance from Monash University and a Degree in Bachelor of Commerce in Accounting and Finance from Deakin University. She has more than 12 years of experience in the timber and logging industry.

Dato' Lim is not related to any Directors or major shareholders of the Company. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

**OOI LENG CHOOI**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Ooi Leng Chooi CGMA, CA(M), CFP, aged 55, male, a Malaysian, a Chartered Accountant, a member of the Malaysian Institute Of Accountants (MIA) and a Certified Financial Planner (CFP). He joined FBG in 1998 as a Finance Manager and was appointed to the Board of FBG as an Executive Director on 12 December 2001. Then, he was re-designated as Non-Independent Non-Executive Director on 24 February 2016. Subsequently, he has re-designated as an Independent Non-Executive Director on 28 August 2018 and holding the same position as at to-date. He has more than 21 years of working experience in handling corporate finance and general management with two (2) listed companies prior in joining FBG. He is also an Independent Non-Executive Director of Careplus Group Bhd.

Mr. Ooi is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

Mr. Ooi is the Chairman of the Audit Committee and a member of the Nominating Committee.

BOARD OF DIRECTORS (CONT'D)

CONVICTIONS FOR OFFENCES OF DIRECTORS

None of the Directors have been convicted for any offences within the past five (5) years other than traffic offences, if any.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were Eight (8) Board Meetings held during the financial year ended 30 June 2021. Details of attendance of Directors at Board Meetings are as follows:-

NAME	STATUS OF DIRECTORSHIP	ATTENDANCE OF MEETINGS
Tan Sri Dato' Sri Chan Kong Choy ¹	Chairman, Independent Non-Executive Director	2/2
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon ¹	Deputy Chairman, Non-Independent Non-Executive Director	2/2
Dato' Sri Kuan Khian Leng	Group Chief Executive Officer, Executive Director	8/8
Datuk Seri Lau Kuan Kam ²	Group Executive Director	4/4
Ir. Kong Kam Loong ¹	Group Executive Director	2/2
Dato' Ismail Bin Haji Omar	Independent Non-Executive Director	8/8
Dato' Lim Siew Mei	Non-Independent Non-Executive Director	8/8
Ooi Leng Chooi	Independent Non-Executive Director	8/8
Dato' Ir. Low Keng Kok ³	Chairman, Independent Non-Executive Director	6/6
Foong Kuan Ming ³	Independent Non-Executive Director	6/6

1 Appointed on 1 April 2021

2 Appointed on 3 December 2020

3 Resigned on 1 April 2021

DATE, TIME AND VENUE OF BOARD MEETINGS

All Board Meetings for the financial year ended 30 June 2021 were held and/or broadcasted from FBG Quality Room, 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor except for the Board Meeting held on 3 December 2020 at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The date and time of the Board Meetings were as follows:

DATE	TIME
27 August, 2020 (Thursday)	11.30 a.m.
22 October, 2020 (Thursday)	10.30 a.m.
26 November, 2020 (Thursday)	10.30 a.m.
3 December, 2020 (Thursday)	11.46 a.m.
23 February, 2021 (Tuesday)	11.11 a.m.
23 March, 2021 (Tuesday)	2.30 p.m.
9 April, 2021 (Friday)	11.00 a.m.
21 May, 2021 (Friday)	11.00 a.m.

SENIOR MANAGEMENT TEAM

Toh Teong Hock

Age 60, Male, Malaysian
(Chief Operating Officer of
Construction – Infrastructure & Civil)

Charles Tan Ting Lih

Age 45, Male, Malaysian
(Finance Director)

Wong Wee Keong

Age 55, Male, Malaysian
(Director of Contract & Trading)

Chan Jiaheng

Age 34, Male, Malaysian
(Director - Property)

Toh Teong Hock

Chief Operating Officer of Construction – Infrastructure & Civil

Mr. Toh Teong Hock has been with the company since April 2008. He graduated from The National University of Singapore with a Degree in Bachelor of Engineering (Civil). He has more than 34 years of experience in civil engineering construction like dam, bridge, sewage treatment plant, road, railway, housing and infrastructural projects. He is primarily responsible in overseeing, supervising and coordinating the operations of the construction division.

Wong Wee Keong

Director of Contract & Trading

Mr. Wong Wee Keong has been with the company since December 2010. He holds the Master in Quantity Surveyor from Heriot Watt University. He has more than 35 years of experience in the construction industry. His responsibility involve overseeing, supervising and coordinating the operations of the contract and purchasing departments.

Charles Tan Ting Lih

Finance Director

Mr. Charles Tan has been with the company since June 2011. He is a Chartered Accountant, and a member of the Malaysian Institute of Accountants (MIA). He has more than 17 years of experience in accounting, corporate finance and general management. His main roles include leading the accounts and finance department; implementing system control and financial budgeting.

Chan Jiaheng

Director - Property

Mr. Chan Jiaheng has been with the company since May 2014. He graduated with a MBA from RMIT University (Melbourne), Degree in Bachelor of Engineering (Mechatronics) and Bachelor of Computer Science from University of Melbourne. He has more than 10 years of experience in the advisory and business analysis, project management and property industry. He is primarily responsible for day-to-day business operations and management decisions of the Australian property division.

Mr. Chan is the son of Tan Sri Dato' Sri Chan Kong Choy, Chairman of the Company.

Note:-

Save as disclosed, none of the above Senior Management has:-

1. any family relationship with any Director and/or substantial shareholder of the Company;
2. any directorship of public companies;
3. any conviction for offences within the past five years other than traffic offences, if any;
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
5. any conflict of interest with the Company.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

For the financial year ended 30 June 2021, there were no proceeds raised by the Company from any corporate proposal.

2. Total audit and non-audit fee payable to External Auditors

	The Group		The Company	
	2021	2020	2021	2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
1. Audit Fee	269	241	84	79
2. Non-Audit Fee	5	5	5	5
Total fee payable to External Auditors	274	246	89	84

3. Options, warrants or convertible securities exercised

The Company has not issued any options, warrants or convertible securities during the financial year ended 30 June 2021.

4. Profit Guarantee

Claim by Fajarbaru Builder Group Bhd ("FBC") against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati").

- FBC's claim is based on Profit Guarantee Agreement and a Supplemental Profit Guarantee Agreement both executed by Cashrep and Cita Jati in favour of FBC.
- 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.

5. Recurrent related party transactions

There were no recurrent related party transactions during the financial year ended 30 June 2021.

6. Material Contracts involving directors and substantial shareholders

There were no material contracts involving directors and substantial shareholders during the financial year ended 30 June 2021.

7. Revaluation Policy

The Group did not adopt a policy on regular revaluation of its landed properties.



Riza Residence

SUSTAINABILITY STATEMENT

Our financial year 2021 Sustainability Statement (Sustainability Statement or the Statement) provides an overview of Fajarbaru Builder Group Bhd's (Fajarbaru or Group) sustainability initiatives and practices, highlighting our economic, social and environmental impacts.

Key Highlights in Financial Year 2021

- Achieving the highest 5 Star rating in Competitiveness Rating for Enhancement (SCORE) programme (2021-2023) from Construction Industry Development Board (CIDB)
- Adapting to the new Norm during the Coronavirus disease (COVID-19) pandemic, keeping our employees safe and engaged
- Organising internal and external trainings virtually to enhance employees' learning and development
- Promoting a healthy and active lifestyle to keep our employees healthy (mentally and physically)
- Leveraging technology in Building Information Modelling (BIM) implementation to ease the construction processes and work flow

The focus of our sustainability strategy aims to integrate the core Environmental, Social and Governance (ESG) priorities in line with our core values – Integrity, Quality, Safety, Innovation and Respect – guide our approach towards achieving our vision of becoming the most valued construction and property company in the markets we serve.

We are committed to enhance our sustainability practices through our existing framework which we started in 2017 and to continuously improve our sustainability practices for our long-term business success.

SCOPE

This is Fajarbaru's fourth year of formally disclosing the sustainability management and initiatives. The statement has been prepared in accordance with Practice Note 9 of Bursa Malaysia's Main Market Listing Requirements, guided by Bursa Malaysia's Sustainability Reporting Guide. This Sustainability Statement covers the reporting period between 1 July 2020 to 30 June 2021.

The information presented in the Statement primarily covers the Group's construction, property development and logging and timber trading activities in Malaysia, unless otherwise stated. More information on Fajarbaru's group of companies can be viewed in the Corporate Structure section of this annual report. The terms "Fajarbaru", "Fajarbaru Group", "Group", and "we" refer to Fajarbaru Builder Group Bhd and/or its divisions and subsidiaries. We aim to expand our scope of reporting to include other business segments in the future.

We aim to continuously improve our sustainability disclosures and we appreciate your thoughts and feedback on our sustainability initiatives, reporting and communication. Please send your feedback to:

Evelyn Ong
Manager, Sustainability
No. 61 & 63, Jalan SS6/12, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

sustainability@fajarbaru.com.my

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

A sustainability governance structure ensures effective implementation of the sustainability strategy and promotes accountability over the established initiatives and management processes.

Group's Sustainability Organisation Structure

In financial year 2019, Fajarbaru established its Group Sustainability Committee (SC or Committee). This Committee will steer the sustainability agenda for the Group and will be responsible to develop comprehensive strategies, implement management programmes as well as monitor our progress towards improving sustainability performance. The Management (TM) comprises representatives from different functional units and business divisions and we are committed to enhance our sustainability practices and to develop long-term solutions to manage our intangible value drivers. To ensure our commitments and focus towards the Sustainability Development Goals (SDGs), the committee have had twelve (12) meetings during the financial year 2021. The meetings include sustainability updates on what other best practices the company can adopt and to create awareness to the employees from time to time.



Fajarbaru has put in place a Sustainability Policy that reaffirms our commitment towards responsible business practices and sustainability management while we build resilient businesses through our focus on quality and innovation. We encourage all employees of Fajarbaru to fully understand the importance of SDGs and what are the practices that take place in the company. Our Sustainability Policy can be viewed at http://fajarbaru.com.my/images_upload/g77454.pdf.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS

In a fast-changing work environment, it has become increasingly common parlance in engaging with stakeholders to understand their expectations and needs. This approach will then shape our future planning and engagement.

For a differentiated approach, we have identified individual goals for each stakeholder group within our mission statements. As an inclusive corporate citizen, we engaged our stakeholders through various activities and communication channels throughout the year.

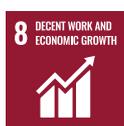
Our stakeholders consist of the following:

STAKEHOLDERS	INDIVIDUAL GOALS	ENGAGEMENT ACTIVITIES	FREQUENCY OF ENGAGEMENT
Board of Directors	To enhance shareholders value and our long-term financial performance.	- Board meetings - Annual General Meetings	- Quarterly - Annually
Employees	To create value for our employees by providing better growth opportunities.	- Employee induction training - Townhall sessions - Feedback sessions - Safety briefings - Salary benchmarking against market - Learning and development programmes - Company & Sports Club activities - Social media platforms - Continuous Improvement Programme (CIP) - Performance appraisals	- Ad hoc - Quarterly - Ongoing - Ongoing - Ongoing - Ongoing - Ongoing - Annually - Annually
Customers	To achieve highest level of customer satisfaction through reliable and timely delivery, innovative and cost-effective products and solutions without compromising on quality and safety.	- Customer feedback mechanism - Roadshows - Social media platforms	- Ongoing - Ongoing - Ongoing
Shareholders	To create value for our shareholders by consistently improving our profitability and growth, and ultimately deliver superior returns on their investment.	- Annual General Meetings - Media releases	- Annually - Ad hoc
Suppliers/ vendors/ associates	To be the preferred business partner, consultant and supplier; to have a relationship based on respect, professionalism and ethics.	- Tender and bidding - Meetings - Written communication	- Ongoing - Ongoing - Ongoing
Local communities	To create a sustainable future for our stakeholders and the society by preserving the environment, be responsible and be active in the development of a better society and economy.	- Corporate Social Responsibility (CSR) programmes	- Ongoing

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

One of our main core businesses, the construction segment plays an important role in which it provides the socio-economic infrastructure for industrial growth and production in any country's economic development. However, our businesses have been affected with the lockdown measures. We have identified our supply chain management, our commitment towards good business conducts and participation in key industry engagements as important issues to be disclosed in this Statement.



SUPPLY CHAIN MANAGEMENT

In today's world of increasing economy interconnections, supply chain management has become an integral part of our business. We support local suppliers that will contribute towards the economic growth of the local community. During financial year 2021, all materials are sourced from local suppliers and only local companies have been appointed as our subcontractors.

At Fajarbaru, we as a responsible business entities aim to improve the competencies of our local suppliers and subcontractors to ensure continuity of local participation in our development projects. All our business associates and subcontractors are aware of the requirements of the quality standards that we subscribe. To ensure a shared understanding and fulfilled on the requirements of Quality Assessment System in Construction (QLASSIC) to aid the CIDB's external evaluation process for our completed building projects, we conduct a QLASSIC awareness workshop to provide the opportunities for our employees as well as subcontractors involved in architecture work. From time to time, we increased the frequency to five workshops per project and expand our scope of the awareness workshops for our subcontractors. We encourage more newly appointed subcontractors to participate in our workshops.

We acknowledge that it is necessary to integrate environmental and social considerations within our supply chain. We frequently communicate to our subcontractors to abide by all applicable laws and regulations. Our subcontractors are required to ensure high service quality and monitor employees' safety at the work environment. Moving forward, we aim to conduct suppliers' sustainability assessment related to ESG as part of their onboarding tender process in the near future. This process will allow us to determine how suppliers and subcontractors managed their environmental and social impact in their operations and supply chain.



COMMITMENT TO GOOD BUSINESS CONDUCT

Fajarbaru is committed to maintain the highest standards of integrity, transparency and accountability in the conduct of its day-to-day operations. All employees of Fajarbaru shall observe the provisions of the Code of Conduct and Business Ethics and Employee Handbook to maintain the highest standard of professional conduct.

Anti-Bribery and Anti-Corruption Policy (ABC Policy)

Fajarbaru has taken great pride in its core value integrity, respect and professionalism in conducting business across the board. Adherence and observance of the core value is the key to ensure its continuous growth and excellent success with all its valued business partners. In accordance to the subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (MACC Act 2009), stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. More information on the ABC Policy can be obtained from http://fajarbaru.com.my/images_upload/g62474.pdf.

SUSTAINABILITY STATEMENT (CONT'D)

Anti-Bribery and Anti-Corruption Policy (ABC Policy) (Cont'd)

In ABC Policy, Fajarbaru observes a No-Gift practice, whereby employees are prohibited from soliciting or receiving any gifts from their associates and business partners which may influence the employee's judgement in the decision-making process or result in an appearance of conflict. All employees and business associates may report any act of bribery and corruption directly through a dedicated email: auditcommittee@fajarbaru.com.my.

Whistleblowing Policy

Fajarbaru established a Whistleblowing Policy that provides a platform for all stakeholders to report any instance of misconduct or criminal offence. All stakeholders may report any violations of the Code of Conduct and Business Ethics through a dedicated whistleblowing email: whistleblow@fajarbaru.com.my, which is accessible by the Chairperson of the Audit Committee.

An internal grievance platform was established as another mechanism for employees to submit their concerns. The grievance platform allows Fajarbaru to identify issues that affect the well-being of the employee and the dynamics of the work environment. Further information on this policy can be obtained from http://fajarbaru.com.my/images_upload/g27293.PDF.



PARTICIPATION IN INDUSTRY ENGAGEMENTS

We are committed to contribute towards the economic development of the infrastructure and construction industry. Through our active engagement with industry partners, we are able to contribute our expertise to pave the way forward for the construction and infrastructure industry.

The Master Builders Association of Malaysia (MBAM) was founded in 1954 dedicated to promoting and developing the construction industry in Malaysia. MBAM provides opportunities to its members and affiliates to highlight issues affecting the construction industry through dialogues with government. Fajarbaru has been actively involved in MBAM as committee members.

Fajarbaru's current representatives in MBAM

Dato' Sri Kuan Khian Leng	MBAM One Build Sdn Bhd - Director (2020-to-date) Secretary-General, MBAM (2020-to-date) Membership - Chairman, MBAM (2020-to-date) Public Relations - Deputy Chairman, MBAM (2020-to-date) Government & Institutions - Deputy Chairman, MBAM (2020-to-date) Emergency Response Committee - Deputy Chairman, MBAM (2020-to-date) MBAM Brain Storming/Strategic Roadmap - Deputy Chairman (2020-to-date) ISO - Management Board Member, MBAM (2020-to-date) MBAM Education Fund - Alt. Board Member (2020-to-date) Disciplinary Board - Member, MBAM (2020-to-date) Environment & Green Technology - Chairman, MBAM (2018-2020) Material Resources - Deputy Chairman, MBAM (2016-2020) Council Member, MBAM (2014-to-date)
En. Muhamad Hafiz Bin Shahrudin	Safety & Health Committee Member, MBAM (2020-to-date)

Fajarbaru is also a member of Real Estate and Housing Developers' Association Malaysia (REHDA) which is recognised as the leading representative body for private property developers, being involved primarily in advocacy and governance.

SUSTAINABILITY STATEMENT (CONT'D)

PARTICIPATION IN INDUSTRY ENGAGEMENTS (CONT'D)

Fajarbaru is recognised as a Class A and Grade 7 contractor by Pusat Khidmat Kontraktor (PKK) and CIDB respectively, which is the highest classification awarded. PKK is a Government registration body for licensed contractors in Malaysia. CIDB is established by the Government to develop the capacity of the construction industry by improving quality and productivity. The highest classifications awarded allow us to participate in government and private projects of any size. Fajarbaru has been evaluated according to the SCORE criteria set by the CIDB Malaysia Board and achieved the rating of 5 Star for the year 2021.



SOCIAL

The COVID-19 pandemic has highlighted the importance of organisational resilience. We believe the importance of promoting a wellbeing at the workplace. This section outlines how Fajarbaru has engaged with its workforce and the local communities. In the social pillar, we have identified our human resources, service quality and community engagements to be important topics.



OCCUPATIONAL HEALTH AND SAFETY

Keeping our employees safe and healthy is amongst our core values where safety of our employees, customers, business associates and communities must be prioritised in all decision-making processes and shall not be compromised in any manner.

Cross-division monthly construction meetings play a vital role within Fajarbaru's construction and property development division. These meetings provide an avenue to discuss important aspects of the construction projects undertaken by the Group. Issues concerning health and safety, quality, progress and internal control findings are frequently assessed and deliberated amongst key personnel within the Group. This ensures cohesion and increases efficiency in our construction projects.

In compliance with the ISO 45001:2018 Occupational Health and Safety Management System requirement, a safety and health committee comprising project management personnel, site managers and representatives from our subcontractors has been established at every project site. The committee is responsible to review the compliance towards legislative requirements and design internal controls that would promote the desired health and safety objectives and outcomes. The safety and health committee meet at least once every two months.

Site managers are responsible to conduct daily inspections of the project site to ensure all identified safety measures have been properly implemented. In addition, toolbox talks on health and safety requirements are conducted daily to spread awareness on maintaining the highest safety standards. The Quality Assurance/Quality Control (QA/QC) and Environment, Safety and Health (ESH) departments in Fajarbaru will conduct safety audits at each project site every week to ensure compliance to all the various Acts and Regulations. All employees are required to undergo a formal health and safety training every quarter to keep abreast with the latest developments in safety standards.

SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)



A safety and health committee has been established at Fajarbaru's headquarters in Kelana Jaya. In every quarter, the committee is responsible to develop and review the health and safety management programmes conducted at the headquarters. Virtual safety and health trainings to be conducted from time to time as to remind employees of the importance of safety especially motivation support has become very important during the COVID-19 pandemic period. On 17 December 2020, the Safety & Health Department conducted a training on the proper usage of Fire Extinguisher and how to combat small fires. The training was conducted in small batches of group to comply with the current COVID-19 SOP set by the government. During the training, the participants were required to extinguish a controlled fire using the given Fire Extinguisher. This is to help prepare the employees in combating small fires and the know-how on what to do when a fire arises.

The ISO 45001:2018, Occupational Health and Safety (OHS) Management System certification standard is to manage and minimise OHS risks hence to prevent work-related injuries to workers and to provide safe, and healthy workplace to all employees. In complying with the ISO 45001:2018 and ISO 14001:2018 guidelines, Fajarbaru has conducted periodical awareness talk regarding the ISO requirements to all employees to ensure that they are up to date and remind the employees on the stringent requirements of the Safety and Environment Management System. The most recent ISO Awareness Talk was conducted by our Senior QA/QC Manager during the Quarterly Townhall session.

SAFETY AND HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION (SHASSIC)

SHASSIC is an independent method to assess and evaluate the safety and health performance of a contractor in construction works or projects. SHASSIC was designed and developed to benchmark the level of safety and health performance of construction industry in Malaysia. SHASSIC assessments are carried out to evaluate, improve and take necessary action of safety and health performance at site. It is our responsibility to continuously ensure the safety and health of the construction site conforms to legislations requirement, approved standards, code of practice, guidelines, specifications and contractual requirements.



EMPLOYEE TRAINING

COVID-19 pandemic continues to be a challenge which we all have to grasp with in the coming year. However, the Group continues to ensure our employees are equipped with the necessary skillsets, knowledge and qualifications by organising internal and external talks.

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE TRAINING (CONT'D)

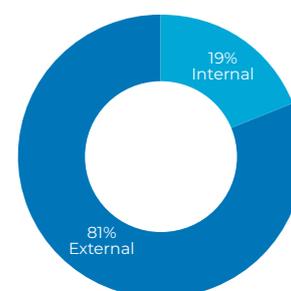
Our Human Resources department works together with the department heads to perform an annual training needs analysis for all employees. The analysis provides a structured approach to help Human Resources identify relevant training programmes and solutions for our workforce. Further, we also aim to align our employees' career development plans with their respective job requirements in which we track through annual performance appraisal.

According to our internal tracking, we provided 2,325 hours of training for our employees for the financial year 2021. The distribution of training hours segregated by gender and business divisions are seen in the table below.

AVERAGE TRAINING HOURS PROVIDED	CONSTRUCTION	PROPERTY	LOGGING AND TIMBER TRADING	TRADING	LOGISTICS	PLANTATION	AVERAGE
Per Employee	23.9	3.2	1.8	8.6	7.4	3.0	9.6
By Gender							
Male	19.6	3.9	1.9	11.0	7.4	3.0	8.2
Female	42.6	2.4	0.0	7.8	N/A	N/A	11.9

Employee training provided comprise the following categories: e-learning in the adoption of digital tools such as video conferencing and e-signature, COVID-19 related talks, workplace safety, technical skills, accounting and administration, corporate, legal, HR, tax compliance related, ISO as well as quality control and assurance. The training cost per employee is approximately RM600. Most of the trainings attended by employees were conducted online via various learning platforms organising free courses during the COVID-19 pandemic period. We will strengthen our training needs to ensure our training hours will be improved by 10% in the next financial year. We also monitor the types of training activities based on internal and external trainings which allows us to determine the training needs for Fajarbaru's employees.

TYPES OF TRAINING ACTIVITIES



Fajarbaru has implemented the ISO 9001:2015 – Quality Management System for its construction division. The ISO standard requires all employees in this division (excluding non-executive employees) to undergo at least 12 hours of training per year. Moving forward, we will study the feasibility of implementing an annual training target for employees in other business divisions through their performance appraisal.

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE TRAINING (CONT'D)

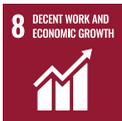
We also support our employees' career aspirations by sponsoring the relevant education and professional certification programmes that employees wish to undertake. For every employee, the Group will reimburse the subscription fees for two professional bodies of their choice.

QLASSIC ASSESSOR TRAINING COURSE

The success of our business operations is highly dependent on the collective strengths of our human capital. We encourage employees to participate in the relevant accreditation programmes to improve their range of knowledge and skills.

In the construction industry, QLASSIC assessments are carried out by competent and qualified assessors appointed by CIDB. Employees of Fajarbaru are encouraged to be accredited as qualified QLASSIC assessors. This ensures we have sufficient competencies within the organisation to meet the requirements of the QLASSIC assessments for our building projects. Employees who intend to be recognised as a QLASSIC assessor are required to undergo the Assessor Training Course and pass the Knowledge Assessment Examination.

Fajarbaru is committed to contribute high quality product by practicing QLASSIC assessment system. More employees were sent for training to gain better qualification in performing QLASSIC assessments. Internally, training conducted by QLASSIC key personnel helps Fajarbaru to train more qualified employees to achieve a better scoring in the QLASSIC assessment system.



EMPLOYEE RIGHTS AND BENEFITS

At Fajarbaru, we invest in the development of our employees and reward outstanding performance to attract, motivate and retain the best talents. Our compensation package is consistent with industry expectations and complies with the legal requirements of applicable laws and regulations in Malaysia. We offer our employees a compensation package that is based on merit and fair performance review processes.

In line with our inclusivity agenda, we aspire to promote equal opportunity where all remuneration and promotion decisions will be made based on the contributions and merits of each employee.

BENEFITS PROVIDED TO FULL TIME EMPLOYEES

General Benefits – Contributions to Employees Contribution Fund (EPF), Social Security Organisation (SOCSO), Employment Insurance Scheme (EIS), Professional Body Subscription Fee	Leave – Annual Leave, Compassionate Leave, Marriage Leave, Paternity Leave, Maternity Leave, Examination Leave, Medical Leave, Prolonged Illness Leave, Replacement Leave, Carried Forward Annual Leave, Additional Maternity Leave
Healthcare – Medical Benefits, Dental Benefits, Group Hospital & Surgical Scheme, Group Personal Accident Insurance	Staff Discount – Discount to purchase property
Allowances – Site Allowance, Handphone Allowance, Mileage Claims, Accommodation Allowance, Meal Allowance, Car Allowance, Parking Allowance, Travel Allowance	Uniforms T-Shirt Washable Face Mask

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE RIGHTS AND BENEFITS (CONT'D)

We believe that everyone should be respected and treated with dignity. Our Employee Handbook outlines our commitment against harassment, discrimination and violence at the workplace. We encourage all employees to speak up against any disputes or channel their concerns through the internal grievance mechanism.

The Group encourages employees to practice a healthy and balanced lifestyle through sports and wellness activities. The Fajarbaru Sports Club was established with a view of promoting a balanced and healthy lifestyle and foster employee relations.

Company's Engagements

Fajarbaru truly cares about our employees' wellbeing and we understand a healthy and active lifestyle is important especially during the times with COVID-19 pandemic. During the financial year 2021, one of the initiatives brought by Fajarbaru Sports Club was the Motivational and Inspirational Quote to nourish and help employees to build a stronger mindset in Fajarbaru.



In July to September 2020, we engaged a fitness coach for a three months fitness programme; Virtual Workout Sessions on a weekly basis to keep our employees staying healthy (mentally and physically).



Brought to you by Fajarbaru Sports Club

SUSTAINABILITY STATEMENT (CONT'D)

Company's Engagements (Cont'd)

In conjunction with International Women's Day on 8 March 2021, Bursa Malaysia host the annual Ring The Bell for #equalityforequity to raise awareness for women's economic empowerment, and to encourage women to take charge of their personal finances. Here at Fajarbaru, we are in support of all campaigns championing women's rights, and are committed to play a role in ending the financial disparity between men and women, as we move towards a more equal and sustainable future together.



MBAM organised the MBAM Anniversary Dinner every year to build good working relationships among MBAM members and business associates. On 9 April 2021, the 66th MBAM Anniversary Dinner was held at Majestic Ballroom, Majestic Hotel Kuala Lumpur with the adoption of strict protocols and Fajarbaru sponsored Sapphire Package of RM18,000. MBAM takes this opportunity to express their sincere appreciation to all sponsors and members who have generously contributed and supported the fund-raising effort in aid of MBAM building fund.



SUSTAINABILITY STATEMENT (CONT'D)

Company's Engagements (Cont'd)

With the new norm due to COVID-19 pandemic, Fajarbaru conducts virtual townhall session every quarter to keep employees informed on latest updates of the company, refresher on the Standard Operating Procedure (SOP) and sustainability updates among others. In every townhall, there will be a sharing session by one of our employees. Virtual townhall session provide an avenue for the top management to engage with the working level employees on pertinent issues that are important to the organisation.



Mr. Toh Teong Hock, our Chief Operating Officer of Construction – Infrastructure & Civil shared his many years of experience in project management in a talk titled: “Mastering Project Management” on 3 June 2021.

On 24 June 2021, Fajarbaru organised a talk on Tender & Contract Administration with PAM Form : 2006 to 2018 by inviting a consultant from DK-QS Sdn Bhd to share about the comparison between PAM 2006 vs 2018.

Fajarbaru invited an external speaker from ACX Contract Services to provide a brief overview understanding of contract administration to employees on 28 June 2021.

The New NORM

The COVID-19 pandemic in 2020 has had resulted a slower construction progress, not only to the construction sector but to the worldwide economy. During these times, we established a COVID-19 Task Force Committee and implemented SOP on Line of Communication for COVID-19. This SOP is to guide all Fajarbaru employees to take the necessary measures in handling various COVID-19 situations based on the contact classification.

We switched to Working From Home (WFH) arrangement flexibility as we take utmost priority on the safety and health of all our employees. SOP on preventive measures for COVID-19 such as social distancing, carrying out daily temperature checks and medical grade hand sanitiser were still constantly reminded to all employees from time to time. Over the past few months, workplace cluster has been the key source of COVID-19 infections in Malaysia. Therefore, we believe with a more stringent SOP implemented in our workplace, we can reduce the spread of COVID-19 infection. This statement covers the reporting during the financial year and up to the date.

SUSTAINABILITY STATEMENT (CONT'D)

The New NORM (Cont'd)

Fajarbaru Fabric Face Mask

As advised by Health Ministry (MOH) in citing the best practices of America's Centre for Disease Control (CDC), the CDC recommended double-masking by using a surgical mask on the inside and a cloth mask on the outside. Fajarbaru provides each employee with a 2 pieces of fabric face mask in encouraging employees to wear double face mask.

COVID-19 Awareness Talk

On 6 July 2021, Fajarbaru organised a COVID-19 Awareness Talk and it was conducted by a Consultant Rehabilitation Medicine Physician from Subang Jaya Medical Centre. The purpose of this awareness talk is to share about the latest data on COVID-19 globally and Malaysia, health and economic impact of COVID-19, prevention (Break the Chain), vaccinations and our role in the prevention of COVID-19.

Construction Industry Vaccination Program (CIVac)

Fajarbaru also encouraged employees to vaccinate themselves by participating in the Construction Industry Vaccination Program (CIVac), an effort by the CIDB Malaysia led by the Ministry of Works). A total of 48 Fajarbaru employees including our foreign workers participated in the vaccination uptake among the construction workforce.



SUSTAINABILITY STATEMENT (CONT'D)

The New NORM (Cont'd)

COVID-19 Vaccination Policy

As Malaysia sees a surge of COVID-19 infections, the government has imposed strict lockdown measures and speeding up the pace of its national COVID-19 vaccination programme (Program Imunisasi COVID-19 Kebangsaan). Fajarbaru's precautionary measure and with the resuming at our business operations, the Group imposed a mandatory COVID-19 Vaccination Policy to protect the safety and health of all employees as the chances of getting infected are higher if we allow those without vaccination/not fully vaccinated to enter our premises.

DIGITAL ADOPTION

The pandemic has accelerated not just the rate of digital adoption but also find it a challenging gap with those adapting to the new trend such as video conferencing to held virtual meetings and webinars.

During the financial year 2021, Fajarbaru implemented new methods such as e-signing platform to ensure the effective consumption of resources and to reduce waste creation in our office especially during the COVID-19 lockdown period. As part of the transformation, we listed the documents which can be fully adopted for e-signature. We also adopted a Document Management System for our headquarters.

Technology in our life today has changed rapidly. In early of 2021, one of our action steps that we have taken part is to upgrade our IT equipment by breaking into three phases. Our main focus will be converting from desktops to laptops for the convenience of employees while working from home especially during the COVID-19 lockdown period. To recycle the unused desktops will be our aim in the next financial year.

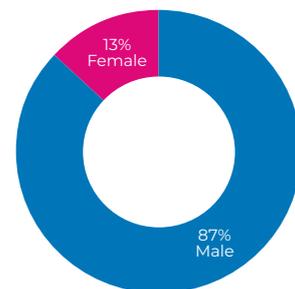


WORKFORCE DIVERSITY

Diversity is an emerging trend that is shaping the business environment in Malaysia. Workforce diversity is a necessity for every organisation to be successful in this ever-changing business environment. We recognise that we operate in industries traditionally dominated by men. That said, we endeavour to promote equal opportunity and inclusivity in our recruitment process and will continue to identify measures to improve female representation in our organisation. The new recruitment for female employee has increased to 16% during the financial year 2021.

As at 30 June 2021, 243 people are employed in Fajarbaru Group of Companies.

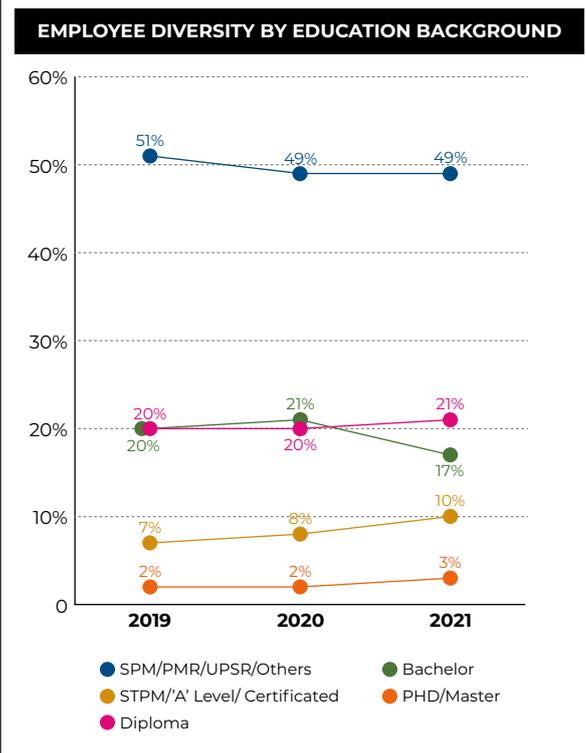
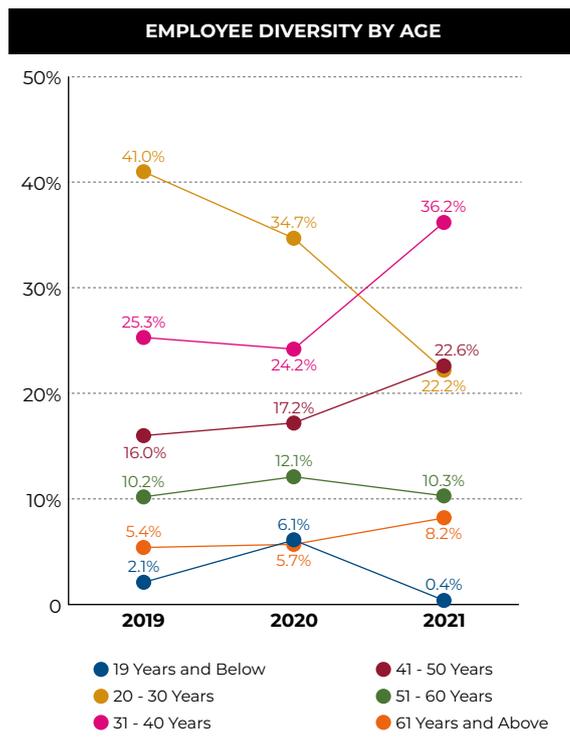
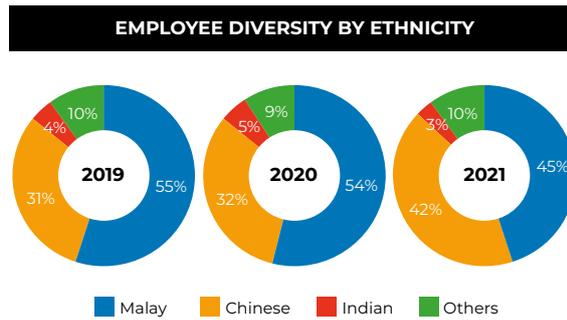
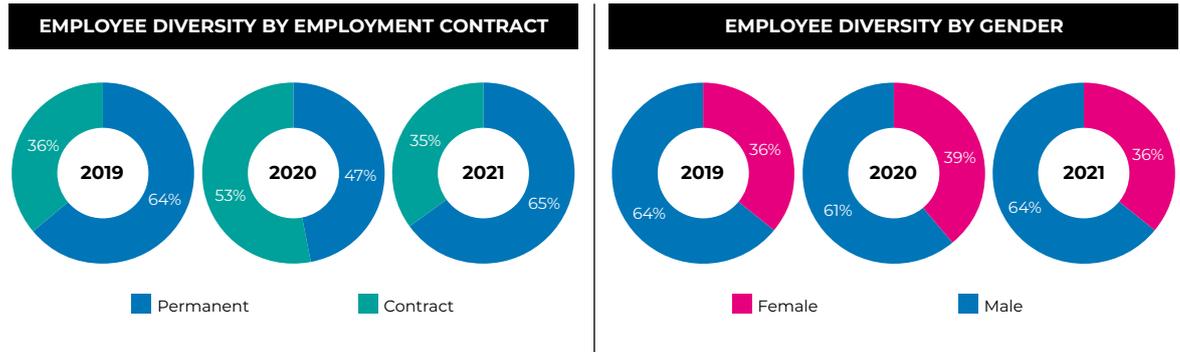
PROMOTION OF WOMAN IN BOARD OF DIRECTORS



SUSTAINABILITY STATEMENT (CONT'D)

WORKFORCE DIVERSITY (CONT'D)

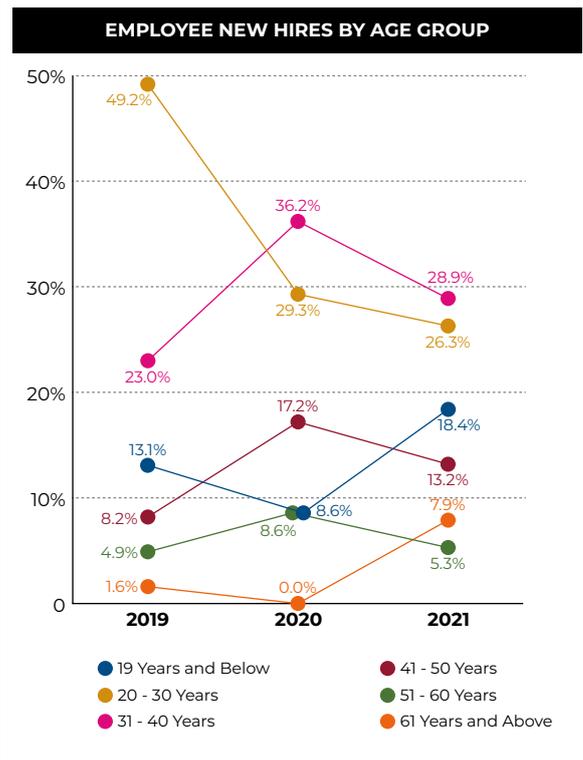
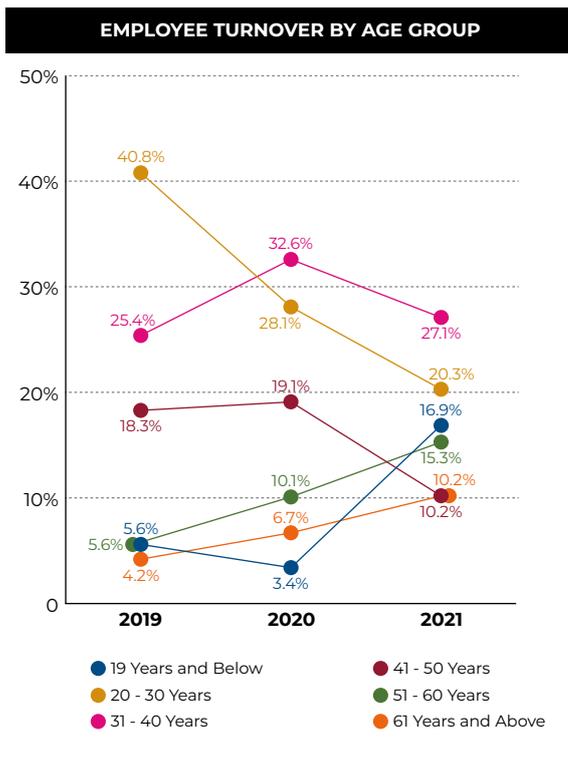
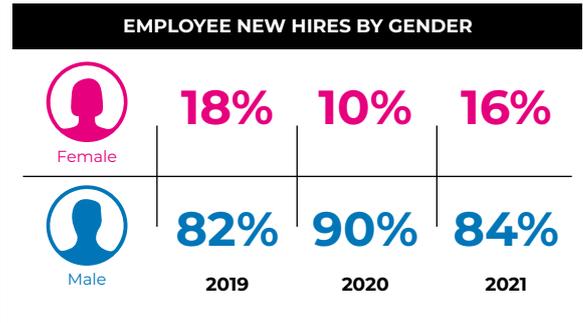
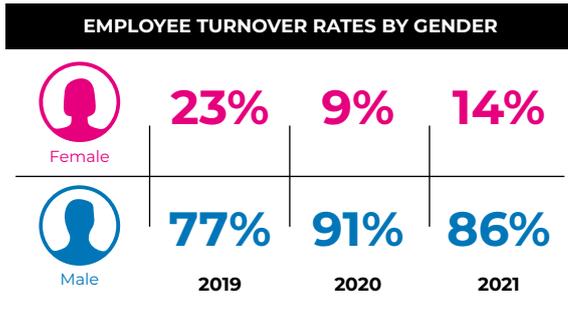
FAJARBARU GROUP OF COMPANIES WORKFORCE



SUSTAINABILITY STATEMENT (CONT'D)

WORKFORCE DIVERSITY (CONT'D)

FAJARBARU GROUP OF COMPANIES WORKFORCE



SUSTAINABILITY STATEMENT (CONT'D)



SERVICE QUALITY

We analysed the importance of service quality where competition is increasingly concentrated. Fajarbaru achieved ISO certification standard for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 which allows the company to perform Integrated Management System in document policies, processes and procedures that are geared towards achieving quality and safety objective identified.

We have successfully performed our Second Surveillance Audit for our ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 in June 2021.



We ensure our reputation as a reliable and professional contractor is directly attributed to the quality of service we deliver. Fajarbaru's Quality Policy describes our commitment to achieve customer satisfaction through the provision of the best products and services, fast and value-adding delivery while achieving performance beyond our customers' expectations.

FAJARBARU QUALITY POLICY	
Fast	Fast and value delivery within stipulated time-frame and cost without ignoring quality and safety products & service
Best	Continually improve the effectiveness of quality management system to provide Best quality products & services
Satisfaction	Working towards customer Satisfaction by meeting customer as well as statutory & regulatory requirements
Beyond	Our work performance shall be Beyond the customer expectation by providing sufficient resources and management commitment

The Quality Policy is supported by the procedures and standards of practice outlined within the Quality Manual. The procedures outlined within the Quality Manual comprise:

PROCEDURES WITHIN THE COMPANY MANUAL	
Document Requirement & Control	Control of Customer & External Provider Property
Control of Record	Control of Outsourced Process
Drawing Control	Product Preservation
Internal Audit	Design & Development Control
Continual Improvement	Risk & Opportunity Analysis
Monitoring & Measurement of Product and Non-Conformity Control	Operation Risk Assessment
Tendering Control	Communication, Consultancy & Participation
Purchasing Control	Compliance Obligation
Project Planning	Emergency Response Plan
Project Management Process Control	Management of Changes
Human Resources Management	Incident Handling
Management Review & Analysis	Waste Management
Monitoring & Measurement Equipment Control	Permit To Work

SUSTAINABILITY STATEMENT (CONT'D)

SERVICE QUALITY (CONT'D)

QLASSIC is an evaluation process established by CIDB to measure and evaluate the workmanship quality of a constructed building. The QLASSIC scoring system provides a standardised view and enables an objective analysis of constructed building projects. We view the evaluation system as a vital tool method within our quality assessment and control procedures. We ensure that the requirements of the QLASSIC evaluation are considered at all phases of the building construction project to ensure we deliver high quality works to our customers.

For year 2019 and 2020, we have performed QLASSIC assessment in RICA Residence project @ Sentul for every unit that we have built and we achieved a rating of 73%. This QLASSIC scoring has helped us to monitor better quality workmanship for every construction work. The quality of workmanship of a construction work is assessed in accordance to the requirements of Malaysian Construction Industry Standards (CIS), hereby referenced as CIS 7:2014.



CUSTOMER SATISFACTION

We recognise the influence the way people connect and align to the mission of our company, as we strive to deliver the highest level of customer experience. At the end of each project, we receive feedback from our client on their satisfaction levels for the works delivered. This is done via a Customer Satisfaction Survey. Clients assess the quality of our workmanship in the following areas:

AREAS ASSESSED WITHIN THE CUSTOMER SATISFACTION SURVEY		
Quality Control	Labour Status	Safety
Professionalism	Material	Overall performance

Feedback gathered from our clients help us to continuously improve our quality of service deliverables. The outcome of the Customer Satisfaction Survey will be tabled during senior management meetings for a thorough evaluation to identify potential improvement opportunities.

In our project site, Rica Residence @ Sentul, all defect rectification process were done via ProFix application during the lockdown period of COVID-19 pandemic. The application is easy to use and home owners can easily lodge their defect report and track the status. In addition, our Customer Relationship Management team implemented SOP in reacting home owners' feedback. We have made a priority to actively engage with home owners to ensure we deliver highest standards of customer experience and satisfaction.



COMMUNITY ENGAGEMENTS

Contributing and supporting the community development is part of our ongoing effort. Fajarbaru is playing its part and committed to enrich the lives of communities where we operate.

Moving forward, we aim to support through financial assistance and participation in fundraising and awareness programmes. In financial year 2021, the Group has contributed RM200,000 to the Dream of the Red Chamber Research Centre, University of Malaya as financial assistance for their research purposes. Additionally, the Group contributed RM50,000 to Yayasan Al-Sultan Abdullah and RM50,000 to Tabung Khas Bencana Banjir Negeri Pahang to help ease flood victims' burden in several affected areas.

On 26 September 2020, Fajarbaru sponsored the MBAM Annual Golf Tournament 2020 with the theme CSR golf. It was held at Kota Permai Golf & Country Club (KPGCC). The annual golf tournament aims to foster closer relationship among MBAM members, business associates and regulatory bodies in addition to providing a platform for networking. The theme CSR is to reflect MBAM corporate social responsibility's efforts during this unprecedented period.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

This is our fourth year providing a systematic reporting on our environmental footprint as we recognise the importance of environment factors that our business activities have direct or indirect consequences on the wider environment. Therefore, our environmental disclosures are predominantly focused on the impacts created at the headquarters. Moving forward, we aim to enhance our environmental footprint reporting to include project sites. In addition, we will also systematically report on the key environmental risks and impacts created at our project sites.

In terms of ensuring compliance with all the Environmental Acts and Regulations, Fajarbaru holds the latest ISO 14001:2018 Environmental Management System certification. In this aspect, Fajarbaru always ensures that any Scheduled Waste created will be disposed off according to the Environmental Quality Act 1974. Furthermore, Fajarbaru conducts monthly Environmental Monitoring of Air Quality, Noise generated and Water Quality at all project sites to ensure the sustainability mother nature and the surrounding area of sites.

Our Go Green Initiatives have become an important role in creating environmental awareness to the employees of Fajarbaru. We have identified energy management, carbon emissions, water management, resource and waste management as important environmental factors for the Group.



GO GREEN INITIATIVES

During the COVID-19 pandemic period, Fajarbaru's Go Green Campaign initiatives are still in place such as Recycled Stationery and Ink Cartridge. To support this campaign, one of the action steps is to purchase eco-friendly refillable stationeries. At our headquarters, we appointed a licensed agent to collect our used paper and ink cartridges for recycling. Further, we also ensure that waste is removed and disposed from our project sites and headquarters on a daily basis.

Awareness of Using Recycling Bin

The Recycling Bin has been relocated to a more prominent area and the recycled items will be disposed by waste collector. It is one of the best practices for all employees to inculcate the habit of recycling and this campaign will help us reduce waste and do our best to minimise our impact on the local community.

Paper Materials

Paper and other office materials make up a significant proportion of materials used at our headquarters. Our purchased paper materials are certified by the Forest Stewardship Council (FSC). We encourage our employees to reduce printing physical copy printouts and to print on both sides of paper used. In order to increase the awareness of recycling, we also placed the boxes for recycling papers located next to the photocopier machine in each floor. Employees are encouraged to reuse and recycle waste paper where possible.



SUSTAINABILITY STATEMENT (CONT'D)

GO GREEN INITIATIVES (CONT'D)

No Paper Cup Day every Friday

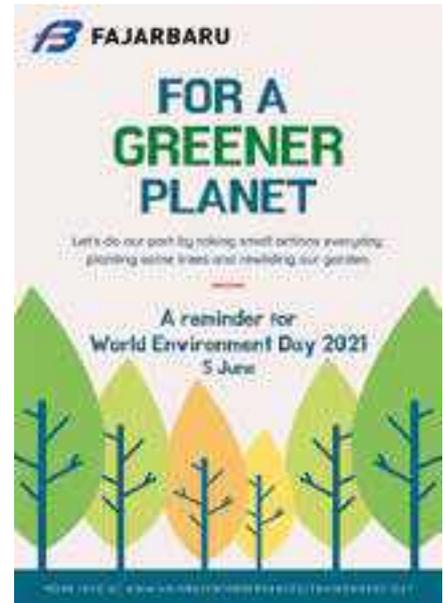
The initiative of No Paper Cup Day every Friday is still ongoing as we encourage employees to use their own washable cup.

Smoke Free Workplace Policy

We all are aware of the adverse effects of smoking tobacco on our health and the environment. With the intention to safeguard the health of all employees at workplace and also to reduce the presence of polluting substances in environmental media, Fajarbaru established a Smoke Free Workplace Policy at the headquarters.

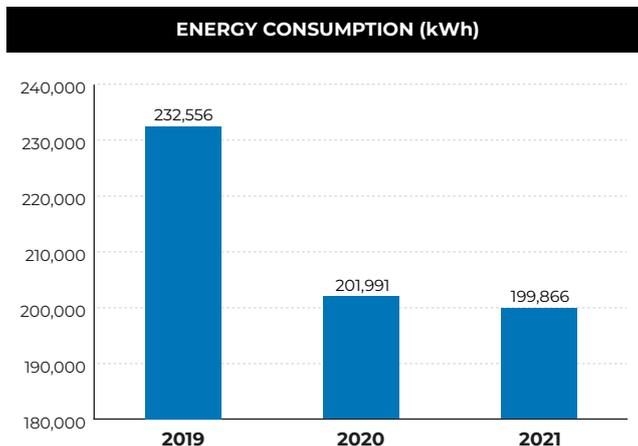
Sustainability Awareness Posting

We remind our employees to do our part by taking small actions to support the World Environment Day on 5 June 2021 while they are working from home during the full lockdown nationwide in June 2021 as announced by the government. Moving forward, the Group Sustainability Committee will share monthly awareness posting to all employees.



ENERGY MANAGEMENT

Energy saving is one of the innovative ideas to save electricity in Fajarbaru. Our electricity consumption at our headquarters in Kelana Jaya in financial year 2021 amounts to 199.87 MWh. Fajarbaru established Energy Saving Workshop Committee, the committee have had six (6) meetings during the financial year 2021. We rolled out awareness programmes for our employees by encouraging the practice of switching off all lights and unused appliances during lunch hour and at the end of the day. Power Off posters were in placed at the headquarters and site offices. One of the reasons that our energy consumption has decreased in 2021 is due to the lockdown of COVID-19 pandemic and also energy saving awareness programme has taken part. By 2022, we aim to reduce our energy consumption by 5% from 2021 result.



SUSTAINABILITY STATEMENT (CONT'D)

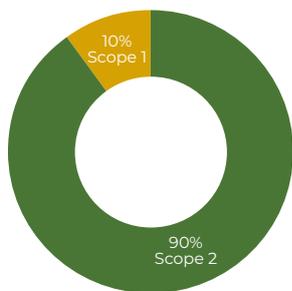


CARBON EMISSIONS

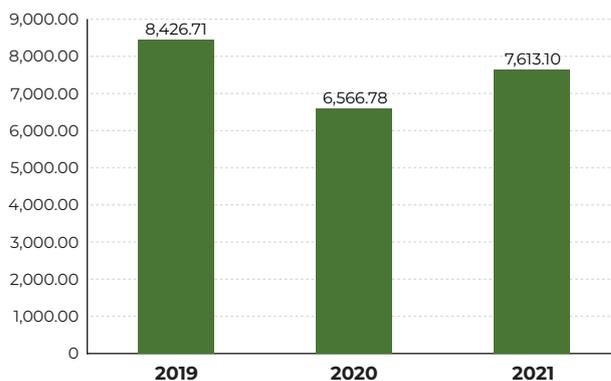
Our Greenhouse Gas (GHG) emissions calculation is based on the GHG Protocol classification of direct and indirect emissions. Scope 2 emissions (purchased electricity) constitutes our largest emission source at the headquarters. Our carbon emissions are attributed to the activities in our headquarters. In financial year 2021, our carbon emissions amount to 165.40 metric tonnes of carbon emissions equivalent (tCO₂e). For financial year 2021, we have calculated our emissions under the following categories:

DIRECT (SCOPE 1) EMISSIONS	ENERGY INDIRECT (SCOPE 2) EMISSIONS
<p>Description: Emissions from sources that are owned or controlled by us.</p> <p>Emission Source: Company-owned vehicles designated as pooled cars.</p> <p>Emissions from the consumption of fuel for cars were derived using the emission factor published by the IPCC Guidelines for National GHG Inventories.</p>	<p>Description: Emissions from the generation of purchased or acquired electricity consumed by us.</p> <p>Emission Source: Electricity consumed within the headquarters in Kelana Jaya deemed to be within Fajarbaru's operational control.</p> <p>Emissions from the consumption of electricity were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular grid.</p>

CARBON EMISSIONS FINANCIAL YEAR 2021



PETROL CONSUMPTION (litres)



Our petrol consumption has increased in 2021 and we understand an increase will have a significant impact on climate change. We aim to roll out awareness programme on the importance of reducing petrol consumption. By 2022, we target to reduce the petrol consumption by 5%.

Moving forward, we endeavour to undertake measures to enhance our scope of reporting and establish a boundary for calculating Scope 3.

SUSTAINABILITY STATEMENT (CONT'D)

CARBON EMISSIONS (CONT'D)

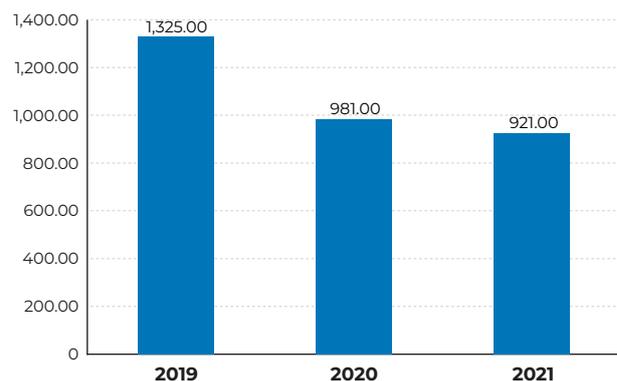
There are various ways to minimise environmental impact in our business segments. At our completed development Rica Residence @ Sentul, there are three EV charging stations made available to residents in supporting sustainable technology and for the betterment of the environment. We encourage our home owners to adopt green mode of transportation.



WATER MANAGEMENT

Our water consumption at our headquarters in Kelana Jaya is sourced locally from our municipal water utilities supplier. We consumed approximately 921 litres of water at our headquarters in financial year 2021. Due to the lockdown of COVID-19 pandemic, our water consumption has decreased in 2021. We have taken the initiative to set timer on each water dispenser and this will also reduce the water waste. Our target is to reduce 5% of the water consumption by 2022. We aim to introduce monitoring measures by conducting regular checks and fixing any plumbing leaks in our office immediately when detected.

WATER CONSUMPTION (m3)



RESOURCES AND WASTE MANAGEMENT

Fajarbaru continue to ensure the compliance on general waste and scheduled waste disposal are in order as we understand the potential that may adversely affect the environment. We appointed licensed waste disposal contractors for the disposal of our general and scheduled waste generated at our project site offices.

As a property development and construction outfit, the Group uses large quantities of sand, cement and steel. Our Environment, Safety and Health (ESH) department monitors the usage of materials to ensure wastages are minimised where possible. We have a stringent procurement and monitoring process to ensure that raw materials are used efficiently.

Furthermore, we repurpose old equipment previously used at the project site offices to our headquarters, thereby extending the life of the assets and avoid unnecessary deposits of waste to the landfill. The repurposed equipment includes office chairs, office desks, other furniture and office fittings.

SUSTAINABILITY STATEMENT (CONT'D)

RESOURCES AND WASTE MANAGEMENT (CONT'D)

THE WORLD OF DIGITALISATION

BUILDING INFORMATION MODELLING (BIM)

In 2020, we are focusing on the dimension of Building Information Modelling. Our target has always been to be above the 5D BIM projection. More incoming projects are expected to be adapting BIM implementation to ease the construction processes and work flow. We have been the main coordinator for construction project to integrate all stakeholders, following the same information in hand.

Digitalisation is the new normal during the pandemic and Fajarbaru is not excluded on adapting to the future way of work. With the adaption of BIM, every stage of delivery and operation has been optimised from the beginning of tendering towards the end of as-built. Information regarding technical, operation, construction and manufacturing has been pooled to ease value engineering.

BIM advances sustainability with enabling automatic clash detection to eliminate the need for ad-hoc solutions and saving materials, time and cost. Impromptu design changes made is still flexible and reduces cost and time penalties before site work projection. To eliminate waste and rework, coordination of design, cost planning, production and construction contributes in nearly accurate ordering of materials and equipment.

Sustainability in construction incorporates elements of economic efficiency, environmental performance, and social responsibility. BIM contributes in greater transparency during the design phase, greater efficiency during the design and construction phases, and greater control during the operations phases.

We are aiming for a better level of BIM maturity in Fajarbaru BIM implementation. This enables any organisation to combine data in order to produce a federated BIM information model and carry out interrogative checking. Examples of a common file type are Industry Foundation Class (IFC) file or Construction Operations Building Information Exchange (COBie) file. This should be set as the target for all project runs in Fajarbaru.

MOVING FORWARD

We will review existing policies to improve and align with our sustainability goals, initiatives and practices. In addition, we are looking into action steps to identify sustainability risks and impacts are linked to the type of industry, geography and other unique circumstances.

Therefore, we believe a differentiated approach towards sustainability management would best suit Fajarbaru's diversified business activities. We aspire to improve and strengthen our internal data collection and monitoring activities across the Group. This would help create a sustainability framework that will guide the creation of relevant Key Performance Indicators (KPIs) and targets for the different business activities.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the Board) of Fajarbaru Builder Group Bhd. is committed to apply the principles and best practices recommended by the Malaysian Code on Corporate Governance (Code) and to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the long term financial performance of the Group.

The Board is pleased to present below the manner in which the Group has applied the principles of the Code and the extent of compliance with the best practices of the Code throughout the financial year ended 30 June 2021:-

BOARD OF DIRECTORS

Board Charter

The Board Charter act as a source of reference and primary induction literature in providing insights to the Board members and senior management.

The details of the Board Charter are available for reference at www.fajarbaru.com.my.

Composition and Balance

The Board of Fajarbaru Builder Group Bhd. currently has eight (8) members comprising of an Independent Non-Executive Chairman, a Non-Independent Non-Executive Deputy Chairman, a Group Chief Executive Officer, two (2) Group Executive Directors, a Non-Independent Non-Executive Director, and two (2) Independent Non-Executive Directors. The Company is in compliance with the Main Market Listing Requirements of Bursa Securities Malaysia Berhad (Bursa Securities) which required at least two directors, or one-third of the total number of Directors, whichever is higher, to be Independent Directors.

The presence of Independent Non-Executive Directors fulfills a pivotal role in corporate accountability. Although all the Directors have an equally responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important as they provide unbiased and independent view, advice and judgement to take account of the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

Board Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for the Company's overall strategic direction as well as development and control of the Group. Key matters such as approval of annual and quarterly results, acquisitions and disposals, material agreements, major capital expenditures, budgets and long term plans would require Board approval.

The Chairman is primarily responsible for the Group's overall business plan and direction, whereas, the Executive Directors are responsible for the day-to-day business operations, management decisions, financial planning and implementation of policies. The Non-Executive Directors share their experience and expertise and give independent input to major decisions including formulation of policies and strategies, they act independently and objectively in carrying their duties.

The roles of the Chairman are separated with clear division of responsibilities to ensure balance of power and authority. The Chairman is delegated with authority to make all decisions and actions that will enhance the corporate purpose of creating long-term shareholder value through the discovery, acquisition, development and marketing of natural resources. The Chairman's main responsibility is to lead and manage the Board with the focus on environmental issues, employees, public and shareholders' interest. Concentrated discussion of these items assists the Board in making the right decisions based on the long term opportunities for the business and its stakeholders. The Board monitors the decisions and actions of the Chairman and the performance of the Group to gain assurance that progress is being made towards the corporate strategy purpose within the limits imposed through the Group's governance assurance framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman or another nominated member of the Management team:-

- (i) Approval of corporate directions and plan
- (ii) Approval of annual budgets / forecast
- (iii) Approval of any Joint Venture
- (iv) Approval of any material acquisitions and disposals of undertakings
- (v) Changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits
- (vi) Board appointment
- (vii) Any matters / transactions that fall within the ambit of the Board pursuant to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia, Terms of Reference of the respective Board Committees or any other applicable rule.

Adherence to the Limits of Authority is reported directly to the Audit Committee.

The Board met eight (8) times during the financial year ended 30 June 2021 to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance are set out on page 29 of this annual report.

Board Committees

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs. The relevant Board Committees established are as follows:-

- (i) Audit Committee
- (ii) Nominating Committee
- (iii) Remuneration Committee
- (iv) Risk Management Committee

The duties and responsibilities of the Nominating and Remuneration Committees are to assist the Board in reviewing and recommending the appointment of caliber candidate irrespective of gender and evaluation of the performance of the Directors. They also assess the appropriate remuneration policies applicable to Directors, Chief Executive Officer, Managing Director and senior management.

The activities of the Nominating and Remuneration Committees for the financial year are included in the following:-

- (i) reviewed the bonus and incentives of Directors and senior management of the Group;
- (ii) assessed and evaluated the effectiveness of Directors through the annual Board evaluation (including the independence of Independent Non-Executive Directors);
- (iii) reviewed the letter of employment of senior management staff;
- (iv) reviewed the composition of the Board and Board Committees of the Group;
- (v) reviewed the Directors' Fees of the Group; and
- (vi) reviewed the design and allocation of awards of the Employees' Share Option Scheme ("ESOS")

All recommendations of the Nominating and Remuneration Committees are subject to endorsement by the Board.

Three (3) Nominating Committee meetings were held during the financial year and were attended by all its members. At the meeting, the Committee has discussed on the training needs of the directors, reviewed and assessed the executive directors, assessed and evaluate the audit committee members, recommendation on re-election of directors subject to retirement as well as the continuation in office of independent non-executive director who have served for more than 9 years.

Four (4) Remuneration Committee meetings were held during the financial year and were attended by all its members.

The responsibilities and activities of Risk Management Committee disclosed on page [58] to [63] of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Supply of Information

All Directors are supplied with board papers pertaining to agenda items prior to the Board meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, when necessary, in order to be properly briefed before the meeting.

Directors have access to the advices and services of the Group's Company Secretaries who are responsible for ensuring that Board procedures are followed.

The appointment of the Company Secretaries are based on the capability and proficiency determined by the Board. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring the proper Board procedures are followed through and that all applicable rules and regulations are complied accordingly. The Company Secretaries attended the Board meetings and recorded the deliberations, in terms of the issues discussed and the conclusion made by the Board in discharging their duties and responsibilities.

Profile of Company Secretary

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries (MACS). He has more than 30 years of experience as a corporate secretary.

Mr. Nip Chee Sien is an Associate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). He has more than 15 years of experience in corporate secretarial practice.

Appointments of the Board

The Nominating Committee is responsible for assessing and considering the re-appointment of the existing Directors; and for identifying and selecting potential new Directors to the Board. It also considered succession planning and the composition of the Board. The Nominating Committee considers the experience, skills and qualities of the new and existing Directors to ensure a good balance of skills amongst the Directors so as to continue to enhance the effectiveness of the Board. The Board, through the Nominating Committee, agreed the importance of having diversity on the Board and will take steps to ensure that women candidates are sought as part of its recruitment exercise. The Board has established a Boardroom Diversity Policy. The ultimate decision will be based on merit and contributions the candidate brings to the Board.

The Nominating Committee will evaluate the independence of the Independence Director based on the evaluation criteria approved by the Board and submit its findings to the Board for deliberation. The Independence Directors who is also the Nominating Committee members will be excused from the meeting during discussion of his/her independence status. The assessment takes into account the individual Director's ability to exercise independent judgement to enhance the Board's accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Re-election of the Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors (including a Managing Director) for the time being, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office and shall be eligible for re-election. All directors (including a Managing Director) shall retire from office once at least in each three years, but shall be eligible for re-election.

The Company's Constitution also provides that any director appointed during the year shall hold office until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Directors' Training

The Board acknowledges that continuous education is vital for its members to gain insight into the state of the economy, technological advances, latest regulatory developments and management strategies. All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. The Board will also identify training needs amongst the Directors and enroll the Directors for training programme, as and when required.

The Company regularly organises in-house programmes, briefings and updates by its in-house professionals. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

The external auditors briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year. In addition, the Board is briefed at every Board meeting on any significant changes in laws and regulations that are relevant by the Company Secretary. The Directors' are also encouraged to attend appropriate external trainings on subject matter that aids the Directors in the discharge of their duties as Directors, either at the Company's expense or through self-reading.

During financial year 2021, the directors received regular briefings and updates on the Group's businesses, operations, risk management, internal control, corporate governance, finance and any changes to relevant legislation, rules and regulations from in-house professionals. The Company also organised in-house programmes for its directors and senior management.

The Directors of the Company have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The training, conferences or seminars attended by the Directors during the financial year are as outlined below:

Director	Training Programme
Tan Sri Dato' Sri Chan Kong Choy	<ul style="list-style-type: none"> • Mandatory Accreditation Program • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19] • Director's Duties & Responsibilities
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	<ul style="list-style-type: none"> • Budget Highlights • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19]
Dato' Sri Kuan Khian Leng	<ul style="list-style-type: none"> • Richard Wee Chambers Webinar Impact Series: Impact of COVID-19 on Employment Laws, Human Resources and Industrial Relations • Employment issues during MCO Practical Solutions for Employers • OSH Requirement - Return to Work After MCO • Invest in the Sun: What COVID-19 has taught us • Solis Webinar • AIAC Webinar Series – Statutory Rescue: Whether Introducing a COVID-19 Act can Save the Economy? • Digital Economy • How to Create Innovation and Build a Global Brand • Fraud Risk Management Workshop • Malaysia Budget 2021 Webinar • 2021 Budget & Navigating The Financial Impact of COVID-19 • Undocumented Foreign Workers Recalibration Plan • 2020 Portal Demand Analytics Webinar • Latest Legal Developments in the Construction Industry • MBAM Annual Safety & Health Conference 2021 • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19]
Datuk Seri Lau Kuan Kam	<ul style="list-style-type: none"> • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19] • Director's Duties & Responsibilities
Ir. Kong Kam Loong	<ul style="list-style-type: none"> • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19] • Mandatory Accreditation Program
Dato' Ismail Bin Haji Omar	<ul style="list-style-type: none"> • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19]
Dato' Lim Siew Mei	<ul style="list-style-type: none"> • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19] • How Your Business Survives a Worldwide Crisis • TP Documentation Interactive Virtual Classroom: A to Z on Preparing TP Documentation
Ooi Leng Chooi	<ul style="list-style-type: none"> • Construction Claims under CIPA Act and Application of Temporary Measures for Reducing the Impact of Reducing the Impact of Coronavirus Disease 2019 [COVID-19] • Updated Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Company Secretaries normally circulate the relevant statutory and regulatory requirements from time to time for the Board's reference and brief the Board on the updates, where applicable.

Whistle-blowing Policy

The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

This policy is to provide an avenue for all employees of the Company and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.

A whistle-blower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his / her identity to the Company in order for the Company to accord the necessary protection to him / her. However, the Company reserves its right to investigate into any anonymous disclosure.

The Whistle-blowing Policy is posted on the Company's website at www.fajarbaru.com.my. Any improper conduct may be reported in writing directly to whistleblow@fajarbaru.com.my, which is accessible by the Chairman of the Audit Committee.

DIRECTORS' REMUNERATION

Remuneration Policy

The remuneration of the Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Directors concerned.

Remuneration Procedure

The Remuneration Committee is responsible for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. The remuneration package of Non-Executive Directors will be decided by the Board as a whole, with the Directors concerned required to abstain from the deliberations and voting on decisions in respect of the individual's remuneration.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole, subject to approval by the shareholders of the Company at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Disclosure

The aggregate remuneration of Directors for the financial year ended 30 June 2021 is as follows:-

	Fees RM '000	Salaries RM '000	Bonus RM '000	Allowance RM '000	EPF RM '000	Socso RM '000	BIK RM '000	Total RM '000
Tan Sri Dato' Sri Chan Kong Choy ¹	-	-	-	-	-	-	-	-
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon ¹	-	-	-	-	-	-	-	-
Dato' Sri Kuan Khian Leng	-	623	-	70	83	1	-	777
Datuk Seri Lau Kuan Kam ²	-	140	-	-	17	1	-	158
Ir. Kong Kam Loong ¹	-	382	-	57	53	1	-	493
Dato' Ismail Bin Haji Omar	37	-	-	1	-	-	-	38
Dato' Lim Siew Mei	165	-	-	1	-	-	-	166
Ooi Leng Chooi	43	-	-	1	-	-	1	45
Dato' Ir. Low Keng Kok ³	58	-	-	-	-	-	2	60
Foong Kuan Ming ³	36	-	-	-	-	-	-	36

¹Appointed on 1 April 2021

²Appointed on 3 December 2020

³Resigned 1 April 2021

	Executive Directors	Non-Executive Directors
Below RM 50,000	-	3
RM 50,001 to RM 100,000	-	1
RM 150,001 to RM 200,000	1	1
RM 450,001 to RM 500,000	1	-
RM 750,001 to RM 800,000	1	-

The aggregate remuneration of Senior Management personnel for the financial year ended 30 June 2021 is as follows:-

	Senior Management
Below RM 400,000	1
RM 600,001 to RM 650,000	1
RM 700,001 to RM 750,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Annual General Meeting and Dialogue with Shareholders

The Board is aware of the importance of the timely and accurate disclosure of material information to shareholders and investors of the Group.

The Company reaches out to its shareholders through the issuance of Annual Report, Explanatory Circulars and updates on the Company are provided through the quarterly reports announced to the Bursa Securities. The Annual General Meeting is the principal forum for dialogue and interaction with the shareholders of the Company. Besides the usual agenda of the Annual General Meeting, the Board presents the progress and performance of the business. Thereafter, the shareholders are presented with the opportunity to participate in question and answer sessions with the Directors. The Chairman where appropriate, the Group Chief Executive Officer or the Executive Directors, will respond to any questions raised during the meeting.

In the re-election of Directors, the Board will ensure that through the notice of meeting, full information is disclosed on Directors who are retiring and willing to continue to serve, if re-elected.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in the Annual Report.

Internal Control

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on page 68 to 72.

Relationship with the External Auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Company's External Auditors. The External Auditors meet and report their findings to the Audit Committee pursuant to their audit for each financial year.

The Report of the Audit Committee is set out in pages 74 to 76 of the Annual Report.

Compliance with the Malaysian Code on Corporate Governance

The Board has the best of its ability and knowledge complied with the Malaysian Code on Corporate Governance. The Board expects to continue to improve and enhance the procedures from time to time, especially in both corporate governance and internal control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) is pleased to present the Statement on Risk Management and Internal Control (Statement) which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 30 June 2021 and up to the date of approval of this Statement for inclusion in the Annual Report of the Company. This Statement has been prepared in accordance with paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements (LR) of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2017 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibilities and commitments in maintaining a sound risk management and internal control system to ensure the reliability, adequacy and effectiveness of financial, operational and compliance controls as well as reviewing the adequacy and integrity of the system in meeting the Group's business and corporate objectives. The system of risk management and internal control is designed to safeguard shareholders' investments and the Group's assets.

The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with the Principles, Practices and Guidance of the Malaysian Code on Corporate Governance (MCCG).

In embracing Practice 9.1 of the MCCG, the Board has formalized a Risk Management framework (framework) that sets out pertinent policies and guidelines to streamline the Group's risk management initiatives and activities in a structured and holistic manner to safeguard shareholders' investment and the Group's assets. Based on this framework, the Board has established an on-going process to identify, evaluate, control, report and monitor significant business risks faced by the Group.

The system of risk management and internal control covers not only the financial aspects but also operational and compliance aspects of the Group. The risk management process and internal control system involve every business units and their respective key management, including the Board, and are designed to meet the Group's particular needs and to manage the risks to which it is exposed. The system is designed to identify and manage rather than eliminate the risk of failure to achieve business objectives. Consequently, the Board recognizes that a sound system provides reasonable but not absolute assurance that the Group will not be hindered in achieving its business objectives in the ordinary course of business.

During the financial year under review and up to the date of approval of this statement for the inclusion in annual report, the Board was supported by the Senior Management and Internal Auditors in implementing a formal approach towards identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and is an ongoing process. This includes examining principal business risks in critical areas and identifying measures to mitigate, avoid and eliminate these risks.

RISK MANAGEMENT FRAMEWORK

The Board recognized the risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives and maintains an ongoing commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. Significant risks were identified and assessed in terms of likelihood of their occurrence and the impact on the achievement of the Group's business and corporate objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Board oversight function in risk management assessment is assisted by the Risk Management Committee (RMC), chaired by an Independent Director and its members consist of Executive Directors and the Management team, that report to the Audit Committee and the Board with respect to review and monitor the Group's major risk exposures, key guidelines and policies for risk assessment and management, and steps taken by the Management to monitor and control such exposures. RMC was formed to provide an integrated risk management infrastructure to identify, respond to and monitor the significant business risk in a systematic and on-going approach. RMC will assist the Board in effectively discharging its primary responsibilities of identifying, managing, evaluating and monitoring principal risks. It will also oversee the implementation of appropriate systems and risk assessment processes to manage risks within the Group.

RMC had been established with the responsibility to identify and communicate to the Board the critical strategic business risks (both present and potential) the Group faces, their changes and the management action plans to manage the risks.

RMC together with the respective heads of the Group's business unit are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed.

Changes in the key business risks faced by the Group or emergence of new key business risks and the corresponding internal controls are discussed during management meetings with material changes in the key business risks faced by the Group or emergence of new key business risks are highlighted to the Board, if any.

A database of strategic risks identified and appropriate controls has been created and the information filtered to produce a detailed risk register/scorecard and individual risk profiles for the respective business units, which is continuously updated.

Key risks to each business unit's objectives aligned with the Group's strategic objectives are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

The risks profile of the relevant business units have been tabled to the RMC with highlights on the key business risk, their causes and management action plans thereon.

All major risk that have an impact on the Group such as market, economic, legislative and financial risks, will be identified, rated and monitored closely on an on-going basis. For each of the risk identified, the risk owner is assigned to ensure that the appropriate risk response actions are carried out in a timely manner. The Internal Auditors will update the Risk scorecard and perform an independent review on the risk and internal control area and report to the Audit Committee on a quarterly basis.

The individual risks in the profile are scored for their likelihood of occurrence and the impact thereof established for each key business unit or company in the Group. The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated in terms of likelihood of their occurrence and the impact thereof, this feature essentially articulates the Board's risk appetite, i.e. the extent of risk the Group is prepared to take or seek in achieving its corporate objectives. Details of specific risks are recorded in individual risk registers, covering the risk description, causes of risk, risk consequences, internal controls implemented by Management to address the causes of risk, Management's assessment of the effectiveness of internal controls and the residual risk rating.

The role of this risk management framework is to provide all staff with guidance in how to apply consistent and comprehensive risk management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Board believes that the function of a sound system of internal control and risk management policies is built on a clear understanding and appreciation of the Group's risk management framework and policy with the following key elements:

- (i) Provide a systematic approach to the early identification and management of risks;
- (ii) Effective and efficient risk management activities contribute to good corporate governance and are integral to the achievement of business objectives;
- (iii) Provide consistent risk assessment criteria;
- (iv) Make available accurate and concise risk information that informs decision making including business direction;
- (v) Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level; and
- (vi) Monitor and review risk levels to ensure that risk exposure remains within an acceptable level.

Risk identification is a key step in the risk management process to ensure a complete list of risks is identified. There are four level of risk being identified namely High Level, Significant Level, Medium Level and Low Level. High Level of risk requires immediate prohibition of the process and immediate corrective action; Significant Level of risk requires immediate corrective action; Medium Level of risk may require corrective action through planning and budgeting process; and Low Level of risk requires the costs to treat the risk are disproportionately high compared to the negligible consequences or may require consideration in any future changes to the process or can be fixed immediately.

Possible risk treatments options include avoid the risk, mitigate the risk, transfer the risk, accept the impact of the risk or deferred the risk. Risk escalation is an important tool for ensuring that risks are known and understood by the people with appropriate authority to manage them. If a risk poses an extreme risk and requires allocation of substantial risk treatment resources, then it would not be appropriate for this to be managed at the divisional level. The Board has overall accountability for managing risks and therefore, where a risk poses such a high threat, the Board should be immediately informed of it.

The respective risk owners are responsible for identifying risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions and the risk mitigating processes are implemented in the following aspects:-

1. Financial

Liquidity risk management processes which ensures that the Group effectively and efficiently meets its financial obligations and liquidity requirements.

2. Business

Business risk management approach which identifies key business risks and their financial impact. Identified business risks are assessed and ranked based on their severity of consequences and likelihood of occurrence for the remedial and mitigating actions to be taken.

3. Operational

Key operational risks identified such as risks affecting quality and timelines of project delivery are monitored by risk owners to ensure that remedial and mitigating actions are carried out.

4. Environmental, Safety and Health

Adopting stringent monitoring controls on environmental, safety and health which are of utmost importance to the business.

RMC met three (3) times during the financial year ended 30 June 2021 to review the Group's risk and any other matters that required the Board's approval.

INTERNAL CONTROL

The internal control system is designed to enable the Group to manage, rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable and not absolute assurance against material misstatement and loss.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Key Processes

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks of the Group which has been in place for the financial year under review.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the "Statement of Internal Control: Guidance for Directors of Public Listed Companies".

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control, are as follows:

- Quarterly review of financial information covering financial performance and quarterly financial results;
- Operational information and updates provided by management during the board meetings;
- Audit Committee's review and consultation with management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of systems of internal control from the Internal Auditors;
- Management assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material respects;
- Director representations in the boards of the companies in which the Group has investment; if any;
- The Group has in place experienced and competent employees in areas of responsibility to support the effectiveness of the Group's system of internal control. The Group also provides relevant training to the employees to ensure continuous improvement of their competencies;
- The Tender Committee, which consists of members from the Senior Management, reviews all significant procurement exercises based on the established policies and procedures of the Company before review and approval by the Group Chief Executive Officer or the Board; and
- The Management team, which comprises of the Group Chief Executive Officer, Group Executive Director and head of department, meets at least once a month to review the Group's performance and to ensure that all functions within the organization are working towards the Group's goals and objectives. Any other matters which are beyond the authority of the Management team will be escalated to the Board of Directors for decision through the Group Chief Executive Officer / Group Executive Director.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key elements of the Group's risk management and internal control system are as follows:

- The Group has a defined organisation structure and each function and/or operating business segments is led by a head of department. The line of accountability, responsibility, approval, authorization and control procedures have been laid down and communicated throughout the Group;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability, with appropriate sign-off by personnel entrusted with the responsibilities;
- Significant changes in business development are reported by Management to the Board at scheduled meetings. This oversight review enables the Board to evaluate and monitor the Group's business performance vis-à-vis its corporate objectives;
- Key result areas and key performance indicators are established and aligned with the strategic business objectives and goals and are monitored on an ongoing basis;
- Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. The Board is kept updated on the Group's activities and operations on a timely and regular basis;
- Regular in-house trainings by external parties were conducted to keep Directors and Management abreast with the current thinking on risk management and internal controls and updates on new legislations;
- Internal policies and standard operating procedures are clearly documented to ensure compliance with internal controls, laws and regulations, which are subjected to regular reviews and improvement, have been communicated to all levels across the Group; and
- Whistle-Blowing Policy is in place to provide avenues for whistle-blowing.
- Anti Bribery and Anti Corruption Policy is in place to further enforce the Group Code of Conduct and Business Ethics to ensure that employees understand their responsibilities in compliance with the Group's zero tolerance for bribery and corruption within the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with Bursa's Guidelines, Management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and implementing strategies to mitigate those risks, maintaining a sound system of risk management and internal control; and monitoring and reporting to the Board of any material control deficiencies and changes in risks that could significantly affect the Group achieving its objective and performance.

Before producing this Statement, the Board has received assurance from the Group Chief Executive Officer, Group Executive Director and Finance Director that the Group's risk management and internal control systems have operated adequately and effectively for the financial year under review, in all material aspects. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, management letters provided by External Auditors, reviews performed by Management and various Board Committees as well as reliance on written confirmations by Management. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the risk management framework and internal control systems are satisfactory and adequate to safeguard shareholders' investments, customers' interests and the Group's assets and have not resulted in any material loss, contingency or uncertainty. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

BOARD ASSURANCE AND LIMITATION

The Board is satisfied with the procedures outlined above and the Board will continue to review the effectiveness of the Group's risk management and internal control system. Nonetheless, the Board recognises that the internal control system should be continuously improved in line with the evolving business environment. It should be noted generally that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the Group's risk management and internal control system can only provide reasonable, but not absolute assurance against material misstatements, frauds, losses or other significantly adverse consequences.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control was approved by the Board on 20 October 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements (as required under Paragraph 15.26(a) of the Main Market Listing Requirements):

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company of the results and cash flows for that financial year.

The Directors, in preparing the financial statements for the financial year ended 30 June 2021 have:

- used appropriate accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed.

The Directors are responsible for ensuring that proper accounting records are kept and disclosure with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 2016.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Fajarbaru Builder Group Bhd. is pleased to present the report of the Audit Committee of the Board for the year ended 30 June 2021.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2021, the Committee held a total of five (5) meetings.

Audit Committee Members	Status of Directorship	Attendance of Meetings
Ooi Leng Chooi (Chairman)	Independent Non-Executive Director	5/5
Tan Sri Dato' Sri Chan Kong Choy (Member) ¹	Independent Non-Executive Director	1/1
Dato' Ismail Bin Haji Omar (Member)	Independent Non-Executive Director	5/5
Foong Kuan Ming (Chairman) ²	Independent Non-Executive Director	4/4

¹Appointed on 1 April 2021

²Resigned 1 April 2021

During the financial year, the Committee undertook the following activities:-

1. Reviewed the audited financial statements for the year ended 30 June 2021 and unaudited quarterly financial results announcement of the Group, prior to the Board's approval.
2. Reviewing with the External Auditors the scope of work and results of their examination together with the actions taken thereon.
3. Reviewing the scope and results of the Internal Audit procedures and reports as well as to recommend any necessary action to be taken by management.
4. Monitoring and reviewing the Financial and Operations Reports.
5. Reviewing any related party transaction that may arise within the Group of the Company.

TERMS OF REFERENCE

The terms of reference of the Committee is as follows:

The Committee shall be appointed by the Board from among their members and shall consists of not less than three (3) members. All the Committee member must be Non-Executive Directors' with a majority of them being independent.

The Chairman shall be an Independent Non-Executive Director. No alternate directors of the Board shall be appointed as a member of the Committee. At least one member of the Committee must be a member of the Malaysian Institute of Accountants or if he is not, then he must be a person who complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In the event of any vacancy in the Committee resulting in non compliance of subparagraph 15.09 (1) of the Main Market Listing Requirements, the vacancy must be filled within three (3) months. The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

Responsibilities and Duties

The responsibilities and duties of the Committee are:

1. to consider the appointment, resignation and dismissal of External Auditors and the audit fee;
2. to review the nature and scope of the audit with the Internal and External Auditors before the audit commences;
3. to review the quarterly and annual financial statements of the Group and the Company focusing on the matter set out below, and thereafter to submit them to the Board:
 - (a) any changes in accounting policies and practices;
 - (b) significant adjustments arising from the audit;
 - (c) the going concern assumption; and
 - (d) compliance with accounting standards and regulatory requirements.
4. to discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss;
5. to review the audit reports prepared by the Internal and External Auditors, the major findings and management's responses thereto;
6. to review the adequacy of the scope, functions and resources of the Internal Audit department and that it has the necessary authority to carry out its work;
7. to review any appraisal or assessment of the performance of members of the Internal Audit department;
8. to approve any appointment or termination of senior executives in the Internal Audit department;
9. to review related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
10. any such other functions as may be agreed to by the Committee and the Board.

The Audit Committee has established an Auditor Independence Policy, which sets out the 5-year rotation and cooling off requirement. The Audit Committee carried out an annual review of the performance of External Auditor including assessment on their independence in performing their obligations, adequacy of experience and resources of the firm and professional staff assigned to the audit, and the level of non-audit services to be rendered by the External Auditors to the Group.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO ESOS ALLOCATION

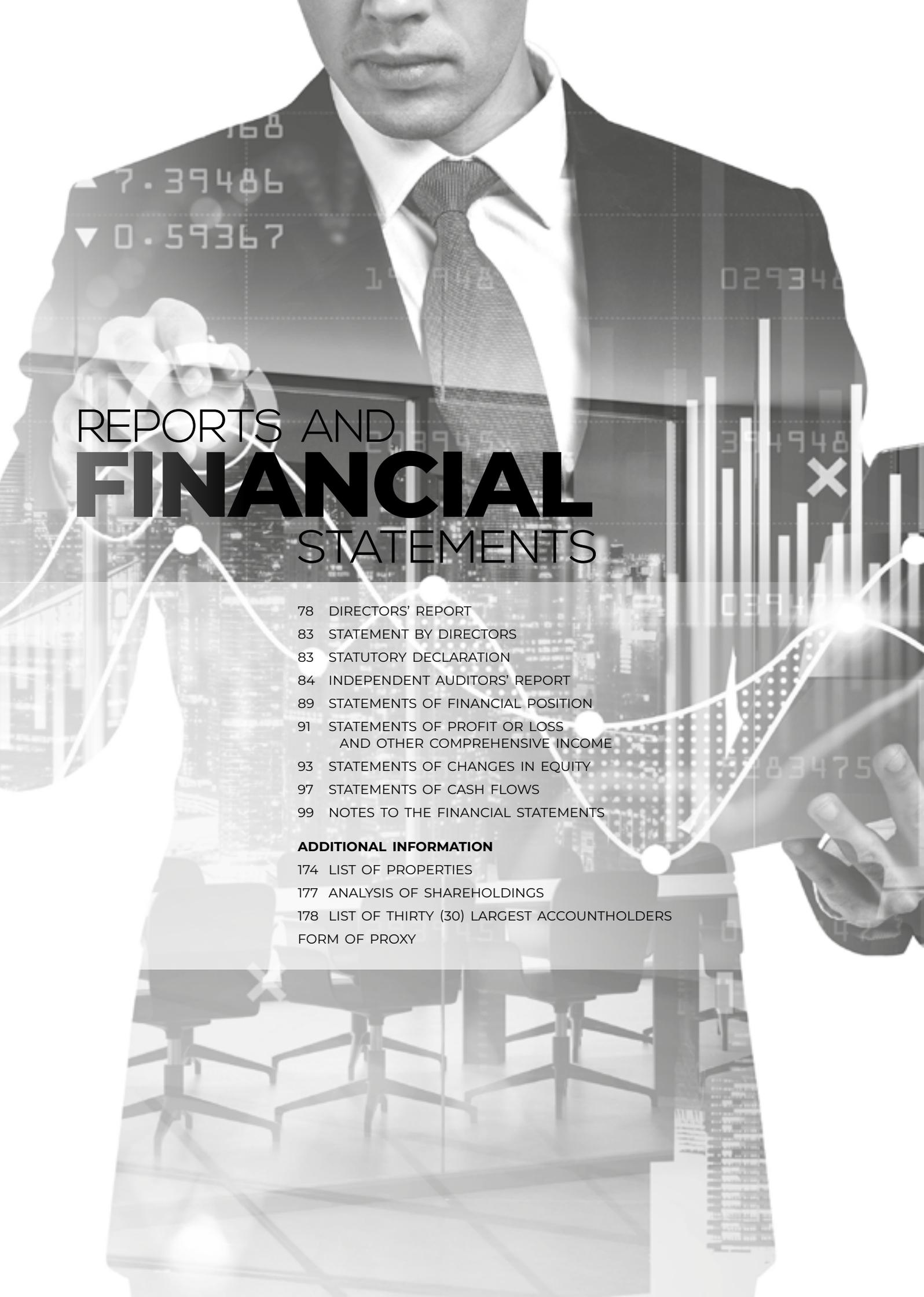
During the financial year, the Company did not grant any options to eligible employees of the Group under the ESOS.

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The total cost incurred in discharging its functions and responsibilities during the year is RM216,835 (Year 2020: RM238,290). The attainment of such objectives involves the following activities being carried out:-

1. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls promoting effective control in the Company and the Group at reasonable cost;
2. ascertaining the extent of compliance with established policies, procedures and statutory requirements;
3. ascertaining the extent to which the Group and the Company's assets are accounted for and safeguarded;
4. appraising the reliability of information developed within the Group and the Company for management;
5. recommending improvements to the existing system of controls;
6. reviewing the effectiveness and efficiency of operations; and carrying out investigations and special reviews requested by management and / or Audit Committee.

The finding of the audit, including a follow-up on the status of Management's implementation of recommendation raised in previous reports, were tabled at the Audit Committee meetings for deliberation and the Audit Committee's expectation on the corrective measures were communicated to the respective heads of the business decisions.

A man in a dark suit, white shirt, and patterned tie is shown from the chest up, pointing his right index finger towards a tablet computer. The background is a blurred office setting with several office chairs around a table. Overlaid on the image are various financial data elements: a line graph with white dots and connecting lines, a bar chart with vertical bars of varying heights, and several numerical values with up and down arrows (e.g., 7.39486, 0.59367, 0.29348, 0.394948, 0.39475, 283475, 447). There are also some symbols like a large 'X' and a plus sign. The overall color scheme is grayscale with white highlights for the data elements.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	28,096	8,809
Attributable to:-		
Owners of the Company	23,965	8,809
Non-controlling interests	4,131	-
	28,096	8,809

DIVIDENDS

The Company paid an interim single-tier dividend of 1.75 sen per ordinary share amounting to approximately RM6,489,000 for the financial year ended 30 June 2021 on 30 December 2020.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

There were no repurchase or resale of treasury shares during the financial year. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 June 2021, the Company held a total of 3,075,764 treasury shares out of the total of 373,882,456 issued and fully paid up ordinary shares. The treasury shares are held at a carrying amount of RM1,654,910.

The details on the treasury shares are disclosed in Note 23 to the financial statements.

DIRECTORS' REPORT (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employee Share Option Scheme below.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT (cont'd)

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Dato' Sri Chan Kong Choy (Appointed on 1 April 2021)
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon (Appointed on 1 April 2021)
Dato' Sri Kuan Khian Leng
Datuk Seri Lau Kuan Kam (Appointed on 3 December 2020)
Ir. Kong Kam Loong (Appointed on 1 April 2021)
Dato' Ismail bin Haji Omar
Dato' Lim Siew Mei
Ooi Leng Chooi
Dato' Ir. Low Keng Kok (Resigned on 1 April 2021)
Foong Kuan Ming (Resigned on 1 April 2021)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Tan Sri Kong Hon Kong
Dato' Chua Tiong Moon
Toh Teong Hock
Wong Wee Keong
Tan Ting Lih
Chan Jiaheng
Yau Tuck Wai (Resigned on 21 May 2021)

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	<----- Number of Ordinary Shares ----->			
	At Date of Appointment/ 1.7.2020	Bought	Sold	At 30.6.2021
The Company				
<i>Direct Interests</i>				
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	25,044,700	3,215,900	-	28,260,600
Datuk Seri Lau Kuan Kam	2,605,453	-	-	2,605,453
Ir. Kong Kam Loong	105,800	-	-	105,800
Dato' Ismail Bin Haji Omar	17,269	-	-	17,269
Dato' Lim Siew Mei	3,661,380	53,600	-	3,714,980
Ooi Leng Chooi	16,900	-	-	16,900
<i>Indirect Interest</i>				
Tan Sri Dato' Sri Chan Kong Choy *	2,479,917	9,000	(15,000)	2,473,917
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon **	7,581,600	-	-	7,581,600
Dato' Sri Kuan Khian Leng ***	32,626,300	3,215,900	-	35,842,200
Datuk Seri Lau Kuan Kam ^	9,764,200	128,400	(150,000)	9,742,600
Dato' Lim Siew Mei #	1,479,400	1,668,600	-	3,148,000

* Deemed interest by virtue of Section 197 of the Companies Act 2016 through his children and spouse.

** Deemed interest by virtue of Section 8 of the Companies Act 2016 through Unique Bay Sdn. Bhd.

*** Deemed interest by virtue of Section 8 and 197 of the Companies Act 2016 through Unique Bay Sdn. Bhd. and through the parent, Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon.

^ Deemed interest by virtue of Section 8 and 197 of the Companies Act 2016 through Top Future Holdings Sdn. Bhd. and through his children and spouse.

Deemed interest by virtue of Section 197 of the Companies Act 2016 through her siblings.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 49(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT (cont'd)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid and payable to the directors of the Company during the financial year are disclosed in Note 40 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 54 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 55 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 42 to the financial statements.

Signed in accordance with a resolution of the directors dated

Tan Sri Dato' Sri Chan Kong Choy

Dato' Sri Kuan Khian Leng

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Dato' Sri Chan Kong Choy and Dato' Sri Kuan Khian Leng, being two of the directors of Fajarbaru Builder Group Bhd., state that, in the opinion of the directors, the financial statements set out on pages 16 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 20 October 2021.

Tan Sri Dato' Sri Chan Kong Choy

Dato' Sri Kuan Khian Leng

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Ting Lih, MIA Membership Number: 28826, being the officer primarily responsible for the financial management of Fajarbaru Builder Group Bhd., do solemnly and sincerely declare that the financial statements set out on pages 16 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Ting Lih, NRIC Number: 761030-08-5911
at Kuala Lumpur
in the Federal Territory
on this 20 October 2021

Tan Ting Lih

Before me
Datin Hajah Raihela Wanchik (No. W-275)
Commission for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Fajarbaru Builder Group Bhd. (Incorporated In Malaysia)
Registration No. 199301026907(281645 – U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fajarbaru Builder Group Bhd., which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT

To the Members of Fajarbaru Builder Group Bhd. (Incorporated In Malaysia)
Registration No. 199301026907(281645 – U) (cont'd)

Key Audit Matters (Cont'd)

Revenue Recognition and Inventories - Property Development Cost Refer to Notes 4.17(a), 4.26(c), 14 and 36 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group recognises revenue and costs from property development activities based on the stage of completion method. The stage of completion is measured using the input method, by reference to the proportion of actual cost incurred for work performed to date to the estimated total cost for the project.</p> <p>The recognition of revenue and cost is therefore dependent on the Group's budgeted property development costs, which require significant estimates and judgements by management on costs to be incurred for property development projects.</p> <p>This is a key audit matter as evaluating the accuracy of the budgeted costs and the determination of the percentage of completion of property development projects require significant judgement and estimates.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Reviewed the budgets prepared by management for property development projects; • Assessed the estimated total costs to complete through enquiries with management; • Inspected documentation which supports cost estimates made including contract variations and contingency costs; • Assessed the reliability of contract budgets by comparing to actual costs incurred; • Verified sales of properties to signed Sale and Purchase Agreements and billings raised to property buyers; and • Performed recomputation of the revenue recognised and checked calculation of the percentage of completion.

Revenue recognition and contract assets and liabilities Refer to Notes 4.14, 4.26(d), 16 and 36 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group recognises revenue on construction contracts based on the percentage of completion method. The percentage of completion is measured using the input method, by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project.</p> <p>The recognition of revenue is therefore dependent on the Group's budgeted construction costs which includes estimates and judgements made by the management.</p> <p>This is a key audit matter as evaluating the accuracy of the budgeted construction costs and the determination of the percentage of completion of construction work require significant judgement and estimates.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Verified contracts secured and reviewed budgeted costs; • Assessed the estimated total contract costs to complete through enquiries with management; • Inspected documentation which supports cost estimates made including contract variations and cost contingencies; • Assessed reliability of contract budgets by comparing to actual incurred; • Performed verification on the actual progress billings issued and actual costs incurred for the financial year; and • Recomputed revenue recognised and checked calculation of the percentage of completion.

INDEPENDENT AUDITORS' REPORT

To the Members of Fajarbaru Builder Group Bhd. (Incorporated In Malaysia)
Registration No. 199301026907(281645 – U) (cont'd)

Key Audit Matters (Cont'd)

Recoverability of trade receivables Refer to Notes 4.15(a), 13, 53.1(b)(iii) to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 June 2021, trade receivables that were past due and not impaired amounted to RM26.151 million. The details of the trade receivables and its credit risk are disclosed in Note 13 and Note 53.1(b)(iii) to the financial statements.</p> <p>The management recognised the allowance of impairment losses on trade receivables based on the following:-</p> <ol style="list-style-type: none"> 1. Customers' payment and credit history; and 2. Specific known facts or circumstances on customers' ability to pay. <p>We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Reviewed the ageing analysis of receivables and tested its accuracy; • Reviewed subsequent collections for major receivables and overdue amounts; • Examined, where applicable, other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; • Evaluated, where applicable, the reasonableness and tested the adequacy of the Group's impairment losses recognised for identified exposures on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

To the Members of Fajarbaru Builder Group Bhd. (Incorporated In Malaysia)
Registration No. 199301026907(281645 – U) (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the Members of Fajarbaru Builder Group Bhd. (Incorporated In Malaysia)
Registration No. 199301026907(281645 – U) (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

20 October 2021

Lee Kok Wai

02760/06/2022 J

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

At 30 June 2021

	Note	The Group		The Company	
		30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	248,839	248,839
Investment in associates	6	14,630	4,767	20	20
Property, plant and equipment	7	28,581	36,543	*	*
Investment properties	8	44,129	44,129	-	-
Right-of-use assets	9	6,997	5,396	-	-
Investment securities	10	22,930	10,601	22,930	10,601
Intangible assets	11	215	216	-	-
Goodwill		7	7	-	-
Prepayments	12	12,872	13,543	-	-
		130,361	115,202	271,789	259,460
CURRENT ASSETS					
Trade receivables	13	51,454	43,099	-	-
Other receivables, deposits and prepayments	12	21,609	22,894	3	344
Inventories	14	115,962	113,896	-	-
Contract cost assets	15	-	8,540	-	-
Contract assets	16	14,528	26,823	-	-
Amounts owing by subsidiaries	17	-	-	19,674	16,425
Amount owing by associates	18	31,784	30,791	2,705	3,303
Short-term investments	19	40,577	27,661	20,576	594
Fixed deposits with licensed banks	20	10,149	12,601	-	-
Cash and bank balances	21	69,051	36,044	74	3,606
Current tax assets		9,379	7,838	53	47
		364,493	330,187	43,085	24,319
TOTAL ASSETS		494,854	445,389	314,874	283,779

Note:-

* Amount less than RM500.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

At 30 June 2021 (cont'd)

	Note	The Group		The Company	
		30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	194,303	194,303	194,303	194,303
Treasury shares	23	(1,655)	(1,655)	(1,655)	(1,655)
Warrant reserve	24	-	-	-	-
Other reserve	25	1,110	1,110	-	-
Employee share option reserve	26	-	-	-	-
Fair value reserve	27	14,084	(1,222)	14,084	(1,222)
Foreign exchange translation reserve	28	(952)	(714)	-	-
Retained profits		148,896	117,960	107,866	92,086
Equity attributable to the owners of the Company		355,786	309,782	314,598	283,512
Non-controlling interests	5	12,623	17,290	-	-
TOTAL EQUITY		368,409	327,072	314,598	283,512
NON-CURRENT LIABILITIES					
Deferred tax liabilities	29	8,263	7,774	-	-
Long-term borrowings	30	1,491	2,502	-	-
		9,754	10,276	-	-
CURRENT LIABILITIES					
Trade payables	33	32,220	36,151	-	-
Other payables and accruals	34	27,183	24,686	276	267
Contract liabilities	16	5,600	17,496	-	-
Amount owing to associate	18	23	-	-	-
Short-term borrowings	35	49,324	29,707	-	-
Current tax liabilities		2,341	1	-	-
		116,691	108,041	276	267
TOTAL LIABILITIES		126,445	118,317	276	267
TOTAL EQUITY AND LIABILITIES		494,854	445,389	314,874	283,779

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year ended 30 June 2021

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	36	153,113	234,607	9,406	7,381
COST OF FINISHED GOODS	37	(36,942)	(66,452)	-	-
OTHER INCOME	38	10,117	2,248	401	430
PROJECT EXPENSES		(70,938)	(104,173)	-	-
STAFF COSTS	39	(14,868)	(16,921)	(322)	(279)
DEPRECIATION	41	(852)	(1,165)	-	(3)
OTHER EXPENSES	42	(9,769)	(7,833)	(523)	(873)
PROFIT FROM OPERATIONS		29,861	40,311	8,962	6,656
FINANCE COSTS	43	(723)	(2,525)	*	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	44	705	(132)	-	-
SHARE OF RESULT IN ASSOCIATES	6	29,843 7,111	37,654 603	8,962 -	6,656 -
PROFIT BEFORE TAXATION		36,954	38,257	8,962	6,656
INCOME TAX EXPENSE	45	(8,858)	(2,096)	(153)	(102)
PROFIT AFTER TAXATION		28,096	36,161	8,809	6,554
OTHER COMPREHENSIVE INCOME					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Fair value changes of equity instruments		28,766	394	28,766	394
		28,766	394	28,766	394
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		28	6	-	-
Share of other comprehensive expense of equity accounted associates		(253)	-	-	-
		(225)	(6)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		56,637	36,561	37,575	6,948

Note:

* Amount less than RM500.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 For the Financial Year ended 30 June 2021 (cont'd)

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		23,965	32,441	8,809	6,554
Non-controlling interests		4,131	3,720	-	-
		28,096	36,161	8,809	6,554
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		52,493	32,837	37,575	6,948
Non-controlling interests		4,144	3,724	-	-
		56,637	36,561	37,575	6,948
EARNINGS PER SHARE (SEN)					
- Basic	46	6.46	8.75		
- Diluted	46	6.46	8.75		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 30 June 2021

Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other Reserve RM'000	ESOS Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company		Non-Controlling Interests RM'000	Total Equity RM'000
									RM'000	RM'000		
The Group												
Balance at 1.7.2019	194,275	(1,141)	7,674	1,110	2,628	(1,616)	(716)	80,809	283,023	20,181	303,204	
Profit after taxation for the financial year	-	-	-	-	-	-	-	32,441	32,441	3,720	36,161	
Other comprehensive income for the financial year:												
- fair value changes of equity instruments	-	-	-	-	-	394	-	-	394	-	394	
- foreign currency translation	-	-	-	-	-	-	2	-	2	4	6	
Total comprehensive income for the financial year	-	-	-	-	-	394	2	32,441	32,837	3,724	36,561	
Contributions by and distribution to owners of the Company:												
- Dividends	-	-	-	-	-	-	-	(5,592)	(5,592)	-	(5,592)	
- Warrants Exercised	28	-	-	-	-	-	-	-	28	-	28	
- Treasury shares purchased	-	(514)	-	-	-	-	-	-	(514)	-	(514)	
- Transfer upon expiry of warrants	-	-	(7,674)	-	-	-	-	7,674	-	-	-	
- Transfer upon expiry of ESOS	-	-	-	-	(2,628)	-	-	2,628	-	-	-	
- Dividends paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(6,615)	(6,615)	
Total transactions with owners	28	(514)	(7,674)	-	(2,628)	-	-	4,710	(6,078)	(6,615)	(12,693)	
Balance at 30.6.2020	194,303	(1,655)	-	1,110	-	(1,222)	(714)	117,960	309,782	17,290	327,072	

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The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 30 June 2021 (cont'd)

Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other Reserve RM'000	ESOS Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Translation Reserve RM'000			Attributable To The Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
							Retained Profits RM'000	Retained Profits RM'000	Retained Profits RM'000			
The Group												
Balance at 1.7.2020	194,303	(1,655)	-	1,110	-	(1,222)	(714)		309,782	17,290	327,072	
Profit after taxation for the financial year	-	-	-	-	-	-	-	23,965	23,965	4,131	28,096	
Other comprehensive income for the financial year:												
- fair value changes of equity instruments	-	-	-	-	-	28,766	-	-	28,766	-	28,766	
- share of other comprehensive expense of an equity accounted associate	-	-	-	-	-	-	(253)	-	(253)	-	(253)	
- foreign currency translation	-	-	-	-	-	-	15	-	15	13	28	
Total comprehensive income for the financial year	-	-	-	-	-	28,766	(238)	23,965	52,493	4,144	56,637	
Contributions by and distribution to owners of the Company:												
- Dividends	-	-	-	-	-	-	-	(6,489)	(6,489)	-	(6,489)	
- Disposal of equity instrument	-	-	-	-	-	(13,460)	-	13,460	-	-	-	
- Dividends paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(8,811)	(8,811)	
Total transactions with owners	-	-	-	-	-	(13,460)	-	6,971	(6,489)	(8,811)	(15,300)	
Balance at 30.6.2021	194,303	(1,655)	-	1,110	-	14,084	(952)	148,896	355,786	12,623	368,409	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 30 June 2021 (cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	ESOS Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
The Company								
Balance at 1.7.2019		194,275	(1,141)	7,674	2,628	(1,616)	80,822	282,642
Profit after taxation for the financial year		-	-	-	-	-	6,554	6,554
Other comprehensive income for the financial year:								
- fair value changes of equity instruments		-	-	-	-	394	-	394
Total comprehensive income for the financial year		-	-	-	-	394	6,554	6,948
Contributions by and distribution to owners of the Company								
- Dividends	47	-	-	-	-	-	(5,592)	(5,592)
- Warrants exercised		28	-	-	-	-	-	28
- Treasury shares purchased		-	(514)	-	-	-	-	(514)
- Transfer upon expiry of warrants		-	-	(7,674)	-	-	7,674	-
- Transfer upon expiry of ESOS		-	-	-	(2,628)	-	2,628	-
Total transactions with owners		28	(514)	(7,674)	(2,628)	-	4,710	(6,078)
Balance at 30.6.2020		194,303	(1,655)	-	-	(1,222)	92,086	283,512

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 30 June 2021 (cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	ESOS Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
The Company								
Balance at 1.7.2020		194,303	(1,655)	-	-	(1,222)	92,086	283,512
Profit after taxation for the financial year		-	-	-	-	-	8,809	8,809
Other comprehensive income for the financial year:								
- fair value changes of equity instruments		-	-	-	-	28,766	-	28,766
Total comprehensive income for the financial year		-	-	-	-	28,766	8,809	37,575
Contributions by and distribution to owners of the Company								
- Dividends	47	-	-	-	-	-	(6,489)	(6,489)
- Disposal of equity instruments		-	-	-	-	(13,460)	13,460	-
Total transactions with owners		-	-	-	-	(13,460)	6,971	(6,489)
Balance at 30.6.2021		194,303	(1,655)	-	-	14,084	107,866	314,598

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year ended 30 June 2021

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	36,954	38,257	8,962	6,656
Adjustments for:-				
Amortisation of intangible assets	1	2	-	-
COVID-19 related rent concessions received	(14)	-	-	-
Depreciation on property, plant and equipment	12,104	12,198	-	3
Depreciation on right-of-use	2,228	1,784	-	-
Dividend income	(345)	-	(9,015)	(6,885)
Interest expenses	723	2,525	-	-
Gain on disposal of property, plant and equipment, net	(209)	(14)	-	-
Interest income	(1,284)	(1,193)	(392)	(405)
Inventories written down	49	702	-	-
Impairment loss on trade receivables	345	216	-	-
Impairment loss on property, plant and equipment	757	915	-	-
Reversal of impairment loss on trade receivables	(1,050)	(84)	-	-
Property, plant and equipment written off	1,832	-	-	-
Share of result in associates	(7,111)	(603)	-	-
Unrealised gain on foreign exchange	(1,569)	(398)	-	-
Operating profit/(loss) before working capital changes	43,411	54,307	(445)	(631)
Increase in inventories	(2,115)	(5,014)	-	-
(Increase)/Decrease in trade and other receivables	(5,694)	35,785	341	(324)
Decrease in contract assets and liabilities	399	8,928	-	-
Decrease in contract cost assets	8,540	7,599	-	-
(Increase)/Decrease in amounts owing by subsidiaries company	-	-	(2,409)	2,852
(Decrease)/Increase in trade and other payables	(1,434)	(17,627)	9	153
CASH FROM/(FOR) OPERATIONS	43,107	83,978	(2,504)	2,050
Income tax paid	(7,570)	(11,616)	(159)	(152)
Interest paid	(723)	(2,525)	*	-
Interest received	507	170	76	14
NET CASH FROM/(FOR) OPERATING ACTIVITIES	35,321	70,007	(2,587)	1,912

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year ended 30 June 2021 (cont'd)

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(524)	(7,901)
Addition in investment properties		-	(48)	-	-
Addition of right-of-use assets	48(a)	(882)	(48)	-	-
Additional investments in an existing associate		(3,005)	-	-	-
Dividend received		345	-	9,015	6,885
Disposal of investment securities		16,437	-	16,437	-
Interest received		777	1,023	-	-
Proceeds from disposal of property, plant and equipment		209	14	-	-
Purchase of property, plant and equipment		(8,180)	(2,786)	-	-
Repayment from associates		599	900	598	899
Repurchase of treasury shares		-	(514)	-	(514)
Repayment from subsidiaries for shared-based payments		-	-	-	919
Withdrawal/(Placement) of deposits with licensed banks		2,452	(311)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		8,752	(1,770)	25,526	288
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Net proceeds from warrant exercise		-	28	-	28
Dividends paid	47	(6,489)	(5,592)	(6,489)	(5,592)
Dividends paid to non-controlling interests by a subsidiary		(8,811)	(6,615)	-	-
Drawdown of revolving credit, net	48(b)	25,000	7,922	-	-
Drawdown of lease liabilities		1,496	-	-	-
Repayment of invoice financing facility	48(b)	(4,400)	(1,399)	-	-
Repayment lease liabilities, net	48(b)	(2,974)	(1,887)	-	-
Repayment of term loans	48(b)	(2,000)	(36,686)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		1,822	(44,229)	(6,489)	(5,564)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		45,895	24,008	16,450	(3,364)
EFFECT OF EXCHANGE DIFFERENCES		28	6	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		63,705	39,691	4,200	7,564
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48(c)	109,628	63,705	20,650	4,200

* Amount less than RM500.

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : No. 1 & 1A, 2nd Floor (Room 2),
Jalan Ipoh Kecil,
50350 Kuala Lumpur.

Principal place of business : No. 61 & 63,
Jalan SS6/12, Kelana Jaya,
47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 October 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

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 adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (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:-

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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 adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at reporting date are disclosed in Notes 7 and 9 to the financial statements.

(b) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 9 to the financial statements.

(c) Impairment of Investment Properties

The Group determines whether its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales including changes in the customer payment profile in response to the COVID-19 pandemic and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 13 and 16 to the financial statements.

(f) Impairment of Non-trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of other receivables, amounts owing by subsidiaries and amount owing by associates as at the reporting date are disclosed in Notes 12, 17 and 18 to the financial statements.

(g) Amortisation of prepayments for timber supply

Prepayments for timber supply are charged to income statement based on actual production of timber logs over the estimated total production of timber logs attributed to a specific area. Changes in the actual production of timber logs extracted could affect the carrying amount of prepayments and the amount charged to income statement.

(h) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with customer and the applicable laws governing the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Revenue and Cost Recognition of Property Development Activities (Cont'd)

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

(i) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

(j) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax assets	9,379	7,838	53	47
Current tax liabilities	2,341	1	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Classification between Investment Properties and Owner occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributable to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate or joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate or joint arrangement that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contract (Cont'd)

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including the share options granted to employees of the subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2021. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operations.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

4.9 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. The immature bearer plants are not depreciated until such time when they become mature.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 50%
Renovations	10% - 20%
Land development, expenditure, fish pond and equipment	10% - 20%
Telecommunication equipment	50%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land and investment property under construction are not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.12 INTANGIBLE ASSETS

Intangible assets that are acquired by the Group are stated at cost less accumulated impairment losses, if any.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 CONTRACT COSTS

(a) Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.14 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.15 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.16 Advance payments made for purchase of timber supply

Advance payments made for purchase of timber supply are treated as prepayments. The costs of timber supply shall be deducted against prepayments on the basis of the production of timber logs extracted during the financial year as a proportion of the total production of timber logs extractable over the remaining period from the specific area.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:-

(a) Property Development

(i) Properties Held for Future Development

The cost comprises specifically identified cost, including cost associated to the purchase of land and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realisable value.

Properties held for future development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operation cycle is classified as non-current asset.

Properties held for future property development is transferred to 'properties under development for sale' category when development activities have commenced and are expected to be completed within the Group's normal operating cycle.

(ii) Property Under Development for Sale

The cost comprises specifically identified cost, including cost associated to the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

(iii) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sale comprises cost associated with the acquisition of land, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the completed property.

(b) Trading

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INVENTORIES (CONT'D)

(b) Trading (Cont'd)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.21 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.22 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.23 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefit is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.24 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.25 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise shares options granted to employees and warrants.

4.26 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Goods (Cont'd)

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Property Development Activities

Revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. The Group recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(d) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.27 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(d) Management Fees

Management fees are recognised when services are rendered.

4.28 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2021	2020
	RM'000	RM'000
Unquoted shares, at cost		
At 1 July 2020/2019	250,667	251,586
Addition during the financial year	*	-
Repayment of ESOS during the financial year	-	(919)
At 30 June 2021/2020	250,667	250,667
Accumulated impairment losses	(1,828)	(1,828)
	248,839	248,839

Note:

* Amount less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
<i>Subsidiaries of the Company</i>				
Fajarbaru Builder Sdn. Bhd.	Malaysia	100	100	General contractors in construction
Fajarbaru Trading Sdn. Bhd.	Malaysia	100	100	Provision of trading of construction materials
Fajarbaru Land (M) Sdn. Bhd. ("FLMSB")	Malaysia	100	100	Investment holding and provision of management services to its subsidiary
Potential Region Sdn. Bhd.	Malaysia	100	100	Property development.
Billion Variety Sdn. Bhd. ("BVSB")	Malaysia	51	51	Logging and trading of timber
Asiahub Trading Sdn. Bhd.	Malaysia	100	100	Provision of trading of construction materials
Fajarbaru Logistics Sdn. Bhd.	Malaysia	100	100	Transportation and logistics service provider
Fajarbaru Plantation Sdn. Bhd. ("FPSB")	Malaysia	100	-	Plantation
Fajarbaru Timber Sdn. Bhd. ("FTSB")	Malaysia	100	-	Investment holding
<i>Subsidiaries of the FLMSB</i>				
Wajatex Sdn. Bhd.	Malaysia	100	100	Property development
Renowaja Sdn. Bhd.	Malaysia	100	100	Property development
Fajarbaru Land Sdn. Bhd.	Malaysia	100	100	Property development
Fajarbaru-Beulah (Melbourne) Pty. Ltd. ("FBM") @	Australia	51	51	Property development
<i>Subsidiary of the BVSB</i>				
Smooth Accomplishment Sdn. Bhd.	Malaysia	51	51	Logging and trading of timbers
<i>Subsidiary of the FTSB</i>				
Grand Achivement Sdn. Bhd. ("GASB")	Malaysia	51	-	Logging and trading of timbers

Note:

@ - Not required to be audited under the laws of the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) On 25 August 2020, the Company incorporated a subsidiary known as FPSB with issued and paid-up capital of RM1 comprising 1 ordinary share. Following the completion of the subscription, FPSB became a wholly-owned subsidiary of the Company.
- (b) On 5 April 2021, the Company incorporated a subsidiary known as FTSB with issued and paid-up capital of RM100 comprising 100 ordinary shares. Following the completion of the subscription, FTSB became a wholly-owned subsidiary of the Company.
- (c) On 1 June 2021, FTSB, a wholly-owned subsidiary of the Company, incorporated a subsidiary known as GASB with issued and paid-up capital of RM100 comprising 100 ordinary shares. FTSB subscribed for 51 ordinary shares, hence GASB became an 51%-owned subsidiary of the Company.
- (d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2021 %	2020 %	2021 RM'000	2020 RM'000
BVSB Group	49	49	12,614	17,011
FBM	49	49	9	279
			12,623	17,290

- (e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	BVSB Group	
	2021 RM'000	2020 RM'000
At 30 June		
Non-current assets	13,059	13,791
Current assets	15,295	23,089
Non-current liabilities	-	(21)
Current liabilities	(2,501)	(2,034)
Net assets	25,853	34,825
Financial Year Ended 30 June		
Revenue	22,669	30,224
Profit for the financial year/Total comprehensive income	8,028	7,599
Total comprehensive income attributable to non-controlling interests	3,933	3,724
Dividends paid to non-controlling interest	8,330	6,615
Net cash from operating activities	10,792	13,429
Net cash from investing activities	221	60
Net cash for financing activities	(17,067)	(13,607)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

6. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	3,025	20	20	20
Share of post-acquisition profit	11,605	4,747	-	-
	14,630	4,767	20	20

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activities
		2021 %	2020 %	
<i>Associates of the Company</i>				
BFB Project Pty. Ltd. ("BFB") *	Australia	44	44	Property development
Kerjaya Jutamas Sdn. Bhd. ("KJSB")	Malaysia	20	20	Logging and trading of timbers
<i>Subsidiary of the BFB</i>				
320 Queen Street Project Pty. Ltd. (320-Q) #	Australia	50	50	Property development

Note:-

* - Not required to be audited under the laws of the country of incorporation.

- The associate was audited by other firms of chartered accountants.

(a) In the previous financial year, the Group has not recognised losses relating to BFB Group, where its share of losses exceeds the Group's interest in this associate.

In the previous financial year, the Group's cumulative share of unrecognised losses at the end of the reporting period was RM1,672,000. The Group has no obligation in respect of these losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

6. INVESTMENT IN ASSOCIATES (CONT'D)

(b) The summarised financial information for each associate that is material to the Group is as follows:-

	BFB Group	
	2021	2020
	RM'000	RM'000
At 30 June		
Non-current assets	-	292
Current assets	224,420	389,245
Non-current liabilities	(4,422)	-
Current liabilities	(174,597)	(388,306)
Non-controlling interests	(23,392)	(4,698)
Foreign currency reserve	(295)	(393)
Net assets/(liabilities)	21,714	(3,860)
Financial Year Ended 30 June		
Revenue	325,702	-
Profit/(Loss) for the financial year	37,629	(958)
Non-controlling interests	(18,817)	475
Profit/(Loss) attributable to owners of the associate	18,812	(483)
Other comprehensive expense	(98)	(19)
Total comprehensive income	18,714	(502)
Group's share of profit for the financial year	8,360	-
Group's share of other comprehensive expense	(43)	-
Carrying amount of the Group's interests in this associate	9,650	-
KJSB		
	2021	2020
	RM'000	RM'000
At 30 June		
Non-current assets	30,611	29,884
Current assets	7,155	11,135
Non-current liabilities	(215)	(241)
Current liabilities	(12,648)	(16,942)
Net assets	24,903	23,836
Financial Year Ended 30 June		
Revenue	17,819	15,925
Profit for the financial year/Total comprehensive income	1,067	3,016
Group share of profit for the financial year/Other comprehensive income	213	603
Carrying amount of the Group's interests in this associate	4,980	4,767

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2020 RM'000	Additions RM'000	Disposal/ Written off RM'000	Impairment RM'000	Transfer (Note 9) RM'000	Depreciation Charges RM'000	At 30.6.2021 RM'000
2021							
<i>Carrying Amount</i>							
Freehold land	4,006	-	-	-	-	-	4,006
Buildings	1,156	-	-	-	-	(31)	1,125
Plant and machinery	30,814	6,818	(1,832)	(757)	(1,449)	(11,826)	21,768
Motor vehicles	209	-	-	-	-	(70)	139
Furniture, fittings and office equipment	153	82	-	-	-	(90)	145
Renovations	201	-	-	-	-	(85)	116
Land development expenditure, fish pond and equipment	4	-	-	-	-	(2)	2
Immature bearer plants	-	1,280	-	-	-	-	1,280
Telecommunication equipment	*	-	-	-	-	-	*
	36,543	8,180	(1,832)	(757)	(1,449)	(12,104)	28,581

Note:

* Amount less than RM500.

The Group	1.9.2019			Additions RM'000	Written off RM'000	Depreciation Charges RM'000	At 30.6.2020 RM'000
	As Previously Reported RM'000	Initial Application Of MFRS16 RM'000	As Restated 1.7.2019 RM'000				
2020							
<i>Carrying Amount</i>							
Freehold land	4,921	-	4,921	-	(915)	-	4,006
Buildings	1,187	-	1,187	-	-	(31)	1,156
Plant and machinery	44,058	(4,255)	39,803	2,709	-	(11,698)	30,814
Motor vehicles	1,662	(1,428)	234	57	-	(82)	209
Furniture, fittings and office equipment	307	-	307	20	-	(174)	153
Renovations	412	-	412	-	-	(211)	201
Land development expenditure, fish pond and equipment	6	-	6	-	-	(2)	4
Telecommunication equipment	*	-	*	-	-	-	*
	52,553	(5,683)	46,870	2,786	(915)	(12,198)	36,543

Note:

* Amount less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.7.2020 RM'000	Depreciation Charge RM'000	At 30.6.2021 RM'000
2021			
<i>Carrying Amount</i>			
Office equipment	*	-	*

The Company	At 1.7.2019 RM'000	Depreciation Charge RM'000	At 30.6.2020 RM'000
2020			
<i>Carrying Amount</i>			
Office equipment	3	(3)	*

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
2021				
Freehold land	6,230	-	(2,224)	4,006
Buildings	1,526	(401)	-	1,125
Plant and machinery	63,359	(40,834)	(757)	21,768
Motor vehicles	5,651	(5,512)	-	139
Furniture, fittings and office equipment	1,980	(1,835)	-	145
Renovations	1,458	(1,342)	-	116
Land development expenditure, fish pond and equipment	48	(46)	-	2
Immature bearer plants	1,280	-	-	1,280
Telecommunication equipment	20	(20)	-	-
	81,552	(49,990)	(2,981)	28,581

Note:

* Amount less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
2020				
Freehold land	6,230	-	(2,224)	4,006
Buildings	1,526	(370)	-	1,156
Plant and machinery	61,964	(31,150)	-	30,814
Motor vehicles	5,927	(5,718)	-	209
Furniture, fittings and office equipment	1,899	(1,746)	-	153
Renovations	1,458	(1,257)	-	201
Land development expenditure, fish pond and equipment	6,123	(1,402)	(4,717)	4
Telecommunication equipment	20	(20)	-	-
	85,147	(41,663)	(6,941)	36,543
The Company				
2021				
Office equipment	8	(8)	-	*
2020				
Office equipment	8	(8)	-	*

Note:

* Amount less than RM500.

(a) Included in the freehold land and buildings of the Group were certain land and buildings with a total carrying amount of RM2,124,000 (2020 - RM2,144,000) which have been pledged to a licensed bank as security for bank overdraft facilities granted to the Group.

8. INVESTMENT PROPERTIES

	The Group	
	2021 RM'000	2020 RM'000
At cost:-		
At 1 July 2020/2019	44,741	44,693
Add: Additional Cost	-	48
Less: Accumulated impairment losses	(612)	(612)
At 30 June 2021/2020	44,129	44,129
Fair value	53,209	59,454

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

8. INVESTMENT PROPERTIES (CONT'D)

The investment properties comprise mainly freehold land which is not depreciated. Depreciation relating to leasehold land is insignificant.

The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

9. RIGHT-OF-USE ASSETS

The Group	At 1.7.2020 RM'000	Additions RM'000	Transfer (Note 7) RM'000	Depreciation Charges RM'000	At 30.6.2021 RM'000
2021					
<i>Carrying Amount</i>					
Plant and machinery	4,518	2,380	1,449	(1,767)	6,580
Motor vehicles	878	-	-	(461)	417
	5,396	2,380	1,449	(2,228)	6,997

The Group	<----- 1.7.2019 ----->			Additions RM'000	Depreciation Charges RM'000	At 30.6.2020 RM'000
	As Previously Reported RM'000	Initial Application Of MFRS16 RM'000	As Restated 1.7.2019 RM'000			
2020						
<i>Carrying Amount</i>						
Plant and machinery	-	4,255	4,255	1,497	(1,234)	4,518
Motor vehicles	-	1,428	1,428	-	(550)	878
	-	5,683	5,683	1,497	(1,784)	5,396

The Group leases certain machines and motor vehicles of which the leasing activities are summarised below:-

- (i) Machines The Group leases two machines for a period of 2 (2020 – 3) years.
- (ii) Motor vehicles The Group leases its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

The Group also has leases with lease terms of 12 months or less and leases of equipment and machines with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

10. INVESTMENT SECURITIES

	The Group/The Company	
	2021	2020
	RM'000	RM'000
Quoted shares, at fair value	22,930	10,601

The Group and the Company has designated these equity instruments at fair value through other comprehensive income because the Group and the Company intend to hold for long-term strategic purposes.

11. INTANGIBLE ASSETS

	The Group	
	2021	2020
	RM'000	RM'000
Transferable club membership, at cost	208	208
Trademarks	10	10
	218	218
Accumulated amortisation:-		
At 1 July 2020/2019	(2)	-
Amortisation during the financial year	(1)	(2)
At 30 June 2021/2020	(3)	(2)
	215	216

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Non-current portion:-					
Prepayments	(a)	12,872	13,543	-	-
Current portion:-					
Other receivables					
- Third parties		546	2,845	2	3
- Joint operation	(b)	8,930	8,930	-	-
- Goods and services tax recoverable		7	82	-	-
		9,483	11,857	2	3
Advances to subcontractors		1,197	1,337	-	-
Deposits		7,333	6,800	-	341
Prepayments	(a)	3,596	2,900	1	-
		21,609	22,894	3	344
		34,481	36,437	3	344

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	The Group	
	2021 RM'000	2020 RM'000
Other receivables	13,826	16,200
Allowance for impairment losses:-	(4,343)	(4,343)
	9,483	11,857

- (a) Included in prepayments are advance payments of RM15,808,000 (2020 - RM15,616,000) made for the future supply of timber logs. The cost of timber logs extracted/supplied will be progressively set off against the advance payments.
- (b) The amount represents other receivables in the joint operation of the Group. Details of the joint operation of the Group are as follows:-

	Proportion of share held by the Group	
	2021 %	2020 %
Name of a Joint Operation		
Beulah Northcote Land Pty Ltd	49	49

13. TRADE RECEIVABLES

	The Group	
	2021 RM'000	2020 RM'000
Trade receivables	72,406	64,756
Allowance for impairment losses	(20,952)	(21,657)
	51,454	43,099
Allowance for impairment losses:-		
At 1 July 2020/2019	(21,657)	(21,992)
Addition during the financial year (Note 44)	(345)	(216)
Bad debts written off during the year	-	467
Reversal during the financial year (Note 44)	1,050	84
At 30 June 2021/2020	(20,952)	(21,657)

The Group's normal trade credit terms range from 30 to 90 days (2020 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

14. INVENTORIES

	The Group	
	2021	2020
	RM'000	RM'000
At cost:-		
Timber:		
- work-in-progress	991	1,111
- finished goods	1,225	530
Property development costs	71,834	109,841
Completed development units	39,540	-
Others	2,372	2,414
	115,962	113,896

Property development costs are analysed as follows:-

	The Group	
	2021	2020
	RM'000	RM'000
Freehold land at cost	55,394	61,551
Development costs	16,440	48,290
	71,834	109,841
Recognised in profit or loss:-		
Inventories recognised as cost of sales	32,801	50,292
Inventories written down	49	702

The freehold land at cost with an aggregate carrying value of RM55,394,000 (2020 - RM61,551,000) had been pledged to financial institutions for credit facilities granted to the Group as disclosed in Note 31.

15. CONTRACT COST ASSETS

	The Group	
	2021	2020
	RM'000	RM'000
Incremental costs of obtaining a contract	-	1,310
Costs to fulfill a contract	-	7,230
	-	8,540

- (a) In the previous financial year, the incremental costs of obtaining contracts primarily comprised commissions paid to introducers as a result of obtaining construction contracts. The costs were to be amortised over the period when the related revenue was recognised.
- (b) The costs to fulfil a contract represented cost incurred that was used to fulfil the contract in future. The costs were to be amortised over the period when the related revenue was recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2021	2020
	RM'000	RM'000
Contract Assets		
Contract assets in relation to:		
- property development	-	15,667
- construction	24,272	20,900
	24,272	36,567
Allowance for impairment losses	(9,744)	(9,744)
	14,528	26,823
Allowance for impairment losses:- At 30 June 2021/2020/1 July 2020/2019:	(9,744)	(9,744)
Contract Liabilities		
Contract liabilities in relation to:		
- construction	(5,600)	(17,496)

- (a) The contract assets primarily relate to the Group's right to consideration for work performed but not yet billed as at the reporting date for its property development and construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.
- (b) The contract liabilities primarily relate to advance considerations received from customers, which revenue is recognised over time.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2021	2020
	RM'000	RM'000
At 1 July 2020/2019	9,327	18,255
Revenue recognised in profit or loss during the financial year	128,400	189,860
Billings to customers during the financial year	(131,099)	(202,725)
Retention sum	2,300	3,937
At 30 June 2021/2020	8,928	9,327
Represented by:-		
Contract assets	14,528	26,823
Contract liabilities	(5,600)	(17,496)
	8,928	9,327

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (d) The amount disclosed include provision for liquidated ascertained damages ("LAD") amounting to RM8,290,000 (2020 - RM8,290,000). LAD is recognised based on the terms of the applicable construction agreements for expected LAD to be claimed by contract customers in respect of construction projects undertaken by the Group.
- (e) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long term contracts is RM294,080,000 (2020 - RM420,305,000). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2021 RM'000	2020 RM'000
Within 1 year	96,555	125,622
Between 2 and 5 years	197,525	240,567
	294,080	366,189

17. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Amount owing by:-		
Trade balances	940	1,941
Non-trade balances		
- Interest-bearing at 1.58% (2020 - 3.35%) per annum	18,730	14,070
- Interest-free	4	414
	19,674	16,425

- (a) The trade balances are subject to the normal credit term of 60 (2020 - 60) days.
- (b) The non-trade balances are unsecured and repayable on demand.
- (c) The amount owing is to be settled in cash.

18. AMOUNTS OWING BY/(TO) ASSOCIATES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
The Group				
Unit trusts in Malaysia, at fair value	40,577	27,661	20,576	594

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.30% to 1.85% (2020 - 1.55% to 3.35%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2020 - 30 to 365) days.

Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM10,148,771 (2020 - RM12,600,784) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Notes 31 and 35.

21. CASH AND BANK BALANCES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	53,957	34,444	74	3,606
Cash held under housing development accounts	15,094	1,600	-	-
	69,051	36,044	74	3,606

Cash held under housing development accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are prohibited from being used in other operations.

22. SHARE CAPITAL

	The Group/The Company			
	2021 Number Of Shares	2020	2021 RM'000	2020 RM'000
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July 2020/2019	373,882,456	373,843,028	194,303	194,275
New shares issued under:				
- Exercised of warrant	-	39,428	-	28
At 30 June 2021/2020	373,882,456	373,882,456	194,303	194,303

- (i) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (ii) During the previous financial year, the Company increased its issued share capital from 373,843,028 to 373,882,456 by the issuance of 39,428 new ordinary shares at RM0.70 each pursuant to the exercise of warrants granted on 25 September 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

23. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sales and issuance and distribution of treasury share dividend.

During the previous financial year, the Company purchased 2,005,600 of its issued ordinary shares from the open market at a weighted average price of RM0.26 per share. The total consideration paid for the purchase was RM513,882 including transaction costs.

As at 30 June 2021, the Company held a total of 3,075,764 treasury shares out of the total of 373,882,456 issued and fully paid up ordinary shares. The treasury shares are held at a carrying amount of RM1,654,910.

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

24. WARRANT RESERVE

On 25 September 2014, the Company issued a renounceable rights issue of 109,628,288 new ordinary shares of RM0.50 each with 109,628,288 free detachable new warrants on the basis of one (1) rights share and one (1) warrant for every two (2) ordinary shares of RM0.50 each held in the Company at an issue price of RM0.50 per rights share. These warrants were listed on the Bursa Malaysia Securities Berhad on 2 October 2014.

The principal terms of the warrants are as follows:-

- (i) The exercise period commenced on the date of issue of the warrants (25 September 2014) and will expire five years from the date of issuance (24 September 2019). Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.
- (ii) The warrants are issued in registered form and constituted by a Deed Poll dated 15 August 2014.
- (iii) The exercise price will be RM0.70 payable in full in respect of each new share of the Company issued upon the exercise of the warrant. Each warrant carries the entitlement to subscribe for one (1) new ordinary share of the Company.

In the previous financial year, the details in the movement of the Company's warrants are as follows:

	Exercise price	At 1.7.2019	Exercised	Lapsed	At 30.6.2020
Warrant 2014/2019	RM0.70	109,628,288	(39,428)	(109,588,860)	-

25. OTHER RESERVE

Included in the other reserve is the reserve arising from discount on acquisition of non-controlling interests by the Group and waiver of debts due to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

26. EMPLOYEE SHARE OPTION RESERVE ("ESOS")

On 1 December 2016, the Company granted 20,710,000 share options under the ESOS. These options expired on 16 December 2019.

The fair values of the share options granted were estimated using a Black Scholes Model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	The Group/The Company
Fair value of share options at the grant date (RM)	0.0866
Weighted average ordinary share price (RM)	0.56
Exercise price of share option (RM)	0.60
Expected volatility (%)	26.62
Expected life (years)	3.04
Risk free rate (%)	3.39
Expected dividend yield (%)	2.50

The expenses recognised for employee services received in the previous financial year are as follows:-

	The Group 2020 RM'000	The Company 2020 RM'000
Expenses arising from equity-settled share-based payment transaction	-	43

In the previous financial year, the option prices and the details in the movement of the option granted are as follows:-

Date of Offer	Exercise Price RM	Remaining Contractual Life of Options	Number of Options over Ordinary Shares			
			1.7.2019	At Granted	Lapsed	At 30.6.2020
December 2016	0.60	1 year	9,600,000	-	(9,600,000)	-

27. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

28. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary and the Group's share of an associate's foreign currency translation differences whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

29. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2021	2020
	RM'000	RM'000
Deferred tax assets		
At 1 July 2020/2019	-	1,301
Recognised in profit or loss (Note 45)	-	(1,301)
As at 30 June 2021/2020	-	-
Deferred tax liabilities		
At 1 July 2020/2019	(7,774)	(7,769)
Recognised in profit or loss (Note 45)	(455)	-
Effect of foreign currency translation differences	(34)	(5)
As at 30 June 2021/2020	(8,263)	(7,774)

The components of the deferred tax assets and liabilities during the financial year are as follows:-

	The Group	
	2021	2020
	RM'000	RM'000
Deferred tax assets:-		
Others	2,344	-
Deferred tax liabilities:-		
Investment properties	(4,626)	(5,007)
Accelerated capital allowances	(5,981)	(2,767)
	(10,607)	(7,774)

30. LONG-TERM BORROWING

	The Group	
	2021	2020
	RM'000	RM'000
Lease liabilities	1,491	2,502

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

31. TERM LOAN

	The Group	
	2021 RM'000	2020 RM'000
Current liabilities (Note 35)	-	2,000

(a) In the previous financial year, the term loan were secured by:-

- (i) legal charges over the freehold land of the Group as disclosed in Note 14;
- (ii) a corporate guarantee of the Company; and
- (iii) a fixed deposit with a licensed bank amounting to Nil (2020 - RM2,220,609) as disclosed in Note 20.

(b) In the previous financial year, the term loans of the Group at the end of the reporting period bore interest rates at 5.36% per annum.

32. LEASE LIABILITIES

	The Group	
	2021 RM'000	2020 RM'000
At 1 July 2020	4,701	-
Initial application of MFRS16	-	5,139
Additions	2,994	1,449
COVID-19 related rent concessions received	(14)	-
Interest expenses recognised in profit or loss	340	304
Repayment of principal	(2,974)	(1,887)
Repayment of interest expense	(340)	(304)
At 30 June 2021	4,707	4,701
Analysed by:-		
Current liabilities (Note 35)	3,216	2,199
Non-current liabilities (Note 30)	1,491	2,502
	4,707	4,701

Certain lease liabilities of the Group are secured by the Group's motor vehicles and machinery under the hire purchase arrangements as disclosed in Note 9 to the financial statements, with lease term ranging from 2 to 3 (2020 - 3 to 4) years and bear effective interest rates ranging from 4.88% to 6.57% (2020 - 4.88% to 6.57%).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

33. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2020 - 30 to 90) days.

Included in the trade payables of the Group at the end of the reporting period is an amount of RM9,151,000 (2020 - RM13,377,000) being project retention sums to be settled in accordance with the terms of the respective contracts.

34. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other payables		5,267	4,837	143	156
Accruals		20,984	19,016	133	111
Deposits received from subcontractors	(a)	932	158	-	-
Advances received from customers	(b)	-	675	-	-
		27,183	24,686	276	267

(a) These deposits have been received from the subcontractors engaged by the Group to carry out the constructions.

(b) These amounts have been advanced by the project owners for mobilisation of the construction works.

35. SHORT-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Term loans (Note 31)	-	2,000
Lease liabilities (Note 32)	3,216	2,199
Invoice financing facility	1,108	5,508
Revolving credit	45,000	20,000
	49,324	29,707

(a) The invoice financing facility and revolving credit are secured by:-

- (i) fixed deposits with licensed banks amounting to RM2,317,000 (2020 - RM2,671,000) as disclosed in Note 20; and
- (ii) a corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

35. SHORT-TERM BORROWINGS (CONT'D)

(b) The short-term borrowings of the Group at the end of the reporting period bore interest rates as below:-

	The Group	
	2021 %	2020 %
Term loans	-	5.36
Lease liabilities	4.88 - 6.57	4.88 - 6.57
Revolving credit	3.94	4.21
Invoice financing facility	3.45 - 4.01	3.45 - 4.01

36. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Construction contracts	84,959	146,323	-	-
Property development	43,441	43,537	-	-
Management fee	32	33	309	319
	128,432	189,893	309	319
<u>Recognised at a point in time</u>				
Completed properties	-	1,320	-	-
Trading	23,087	42,044	-	-
Services	1,167	1,173	-	-
Investment fund income	82	177	82	177
Dividend income	345	-	9,015	6,885
	24,681	44,714	9,097	7,062
	153,113	234,607	9,406	7,381

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 50.2 to the financial statements.

(b) The information on the unsatisfied performance obligation is disclosed in Note 16(e) to the financial statements.

37. COST OF FINISHED GOODS

Costs of finished goods comprise original costs of purchase plus the costs incurred in bringing the goods to the present location.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

38. OTHER INCOME

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
COVID-19-related rent concessions	14	-	-	-
Forfeited deposit	-	176	-	-
Gain on disposal of property, plant and equipment	209	14	-	-
Gain on foreign exchange:				
- realised	-	4	-	4
- unrealised	1,569	398	-	-
Gain on investment funds:				
- realised	1	11	-	11
- unrealised	9	20	9	10
Interest income:				
- licensed banks	255	461	-	-
- short-term highly liquid investment bank	52	63	-	-
- short-term investments	470	499	76	13
- subsidiaries	-	-	316	392
- overdue interest	507	170	-	-
Insurance claims received	6,090	-	-	-
Management fees	120	120	-	-
Others	821	312	-	*
	10,117	2,248	401	430

* Amount less than RM500.

39. STAFF COSTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages, bonus and allowances	21,026	24,976	256	240
Defined contribution plan	2,240	2,759	-	-
Other staff related expenses	1,492	1,505	66	39
	24,758	29,240	322	279
Less: Amount classified as:				
- cost of sales	(1,452)	(1,907)	-	-
- project expenses	(8,438)	(10,412)	-	-
	14,868	16,921	322	279

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM1,811,000 (2020 - RM1,074,000) and RM256,000 (2020 - RM240,000) respectively as disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

40. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive:-				
Non-fee emoluments:				
- salaries, wages, bonus and allowances	1,271	630	-	-
- defined contribution plan	153	79	-	-
- other emoluments	2	1	-	-
	1,426	710	-	-
Non-executive:-				
Fees	385	364	246	240
	1,811	1,074	256	240

41. DEPRECIATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation of PPE	12,104	12,198	-	3
Depreciation of ROU	2,228	1,784	-	-
Less: Amount classified as project expenses	(13,480)	(12,817)	-	-
	852	1,165	-	3

42. OTHER EXPENSES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included in other expenses are:				
Auditors' remuneration:				
- audit fee:				
- Crowe Malaysia PLT				
- statutory audit for the financial year	269	241	84	79
- (over)/underprovision in the previous financial year	(25)	7	(22)	5
- non-audit fee:				
- Crowe Malaysia PLT	5	5	5	5
Impairment on property, plant and equipment	2,589	915	-	-
Inventories written down	49	702	-	-
Rental of premises	42	36	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

43. FINANCE COSTS

	The Group	
	2021	2020
	RM'000	RM'000
Interest expenses on:		
- invoice financing	88	344
- term loans	19	993
- revolving credit	272	792
- lease liabilities	303	254
- others	41	142
	723	2,525

44. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2021	2020
	RM'000	RM'000
Impairment losses:		
- trade receivables (Note 13)	345	216
Reversal of impairment losses:		
- trade receivables (Note 13)	(1,050)	(84)
	(705)	132

45. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	8,409	4,458	71	73
- (over)/underprovision in the previous financial year	(6)	(3,663)	82	29
	8,403	795	153	102
Deferred tax expense (Note 29):				
- relating to originating and recognition of temporary differences	99	1,301	-	-
- underprovision in the previous financial year	356	-	-	-
	455	1,301	-	-
	8,858	2,096	153	102

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

45. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	36,954	38,257	8,962	6,656
Tax at the statutory tax rate of:-				
- Malaysia 24%	8,871	9,184	2,151	1,597
- Australia 30%	(3)	(2)	-	-
Tax effects of:-				
Share of result in associates	(1,707)	(149)	-	-
Non-deductible expenses	1,249	2,956	95	128
Non-taxable gains	(408)	(14)	(2,175)	(1,652)
Reversal of deferred tax assets recognised	-	1,301	-	-
Deferred tax assets not recognised during the financial year	724	-	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(218)	(7,517)	-	-
(Over)/Underprovision of current tax in the previous financial year	(6)	(3,663)	82	29
Underprovision of deferred taxation in the previous financial year	356	-	-	-
Income tax expense for the financial year	8,858	2,096	153	102

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The temporary differences attributable to the deferred tax assets and deferred tax liability (at gross) which are not recognised in the financial statements are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets:				
- unutilised tax losses	11,493	8,782	-	-
- unabsorbed capital allowances	350	309	-	-
- depreciation in excess of capital allowance	585	530	-	-
- others	348	1,054	-	-
	12,776	10,675	-	-
Deferred tax liability:				
- accelerated capital allowances	(30)	(34)	-	-
	12,746	10,641	-	-

The unused tax losses are allowed to be utilised for 7 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

46. EARNINGS PER SHARE

	The Group	
	2021	2020
Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	23,965	32,441
Number of shares in issue as of 1 July 2020/2019	370,806,692	373,843,028
Effects through:		
- warrant exercised	-	39,428
- treasury shares	-	(3,075,764)
Weighted average number of ordinary shares in issue for basic earnings per share	370,806,692	370,806,692
Basic earnings per ordinary share attributable to owners of the Company (sen)	6.46	8.75
Diluted earnings per ordinary share attributable to owners of the Company (sen)	6.46	8.75

47. DIVIDENDS

	The Group/The Company	
	2021	2020
	RM'000	RM'000
Paid:-		
- interim single-tier dividend of 1.5 sen per ordinary share in respect of financial year ended 30 June 2020	-	5,592
- interim single-tier dividend of 1.75 sen per ordinary share in respect of financial year ended 30 June 2021	6,489	-
	6,489	5,592

48. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2021	2020
	RM'000	RM'000
Right-of-use assets		
Cost of right-of-use assets acquired	2,380	1,497
Cost of right-of-use assets transferred from property, plant and equipment	1,496	-
Less: Addition of new lease liabilities (Note (b) below)	(2,994)	(1,449)
	882	48

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

48. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Revolving Credit RM'000	Invoice Financing RM'000	Term Loans RM'000	Lease Liabilities RM'000	Total RM'000
2021					
At 1 July 2020	20,000	5,508	2,000	4,701	32,209
<u>Changes in Financing Cash Flows</u>					
Drawdown of lease liabilities	-	-	-	1,496	1,496
Drawdown of revolving credit	25,000	-	-	-	25,000
Repayment of invoice financing facility	-	(4,400)	-	-	(4,400)
Repayment of term loans	-	-	(2,000)	-	(2,000)
Repayment of lease obligation	-	-	-	(2,974)	(2,974)
	25,000	(4,400)	(2,000)	(1,478)	17,122
<u>Non-cash Changes</u>					
Acquisition of new leases (Note (a) above)	-	-	-	1,498	1,498
COVID-19-related rent concessions received	-	-	-	(14)	(14)
	-	-	-	1,484	1,484
At 30 June 2021	45,000	1,108	-	4,707	50,815

The Group	Revolving Credit RM'000	Invoice Financing RM'000	Term Loans RM'000	Lease Liabilities RM'000	Hire Purchase RM'000	Total RM'000
2020						
At 1 July 2019, as previously reported	12,078	6,907	38,686	-	5,139	62,810
Effects on adoption of MFRS 16	-	-	-	5,139	(5,139)	-
At 1 July 2019, as restated	12,078	6,907	38,686	5,139	-	62,810
<u>Changes in Financing Cash Flows</u>						
Drawdown of revolving credit	7,922	-	-	-	-	7,922
Repayment of invoice financing facility	-	(1,399)	-	-	-	(1,399)
Repayment of term loans	-	-	(36,686)	-	-	(36,686)
Repayment of lease obligation	-	-	-	(1,887)	-	(1,887)
	7,922	(1,399)	(36,686)	(1,887)	-	(32,050)
<u>Non-cash Changes</u>						
Acquisition of new leases (Note (a) above)	-	-	-	1,449	-	1,449
At 30 June 2020	20,000	5,508	2,000	4,701	-	32,209

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

48. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Short-term investments (Note 19)	40,577	27,661	20,576	594
Fixed deposits with licensed banks (Note 20)	10,149	12,601	-	-
Cash and bank balances (Note 21)	69,051	36,044	74	3,606
	119,777	76,306	20,650	4,200
Less: Fixed deposits pledged to licensed banks (Note 20)	(10,149)	(12,601)	-	-
	109,628	63,705	20,650	4,200

49. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

49. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries:				
- advances given	-	-	3,621	8,301
- management fees received	-	-	276	286
- dividend received	-	-	8,670	6,885
- management fees paid	-	-	17	313
Associate:				
- advances from	600	900	600	900
- management fees received	33	33	33	33

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Key Management Personnel Compensation

	The Group	
	2021 RM'000	2020 RM'000
<i>Key management personnel</i>		
<i>Directors</i>		
Salaries, wages, allowances and bonus	1,271	630
Defined contribution plan	153	79
Others	2	1
	1,426	710
<i>Other key management personnel</i>		
Salaries, wages, allowances and bonus	1,813	2,356
Defined contribution plan	202	267
Others	303	34
	2,318	2,657

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

50. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 7 main reportable segments as follows:-

- (i) Property development - involved in development of commercial and residential properties.
- (ii) Construction - involved as general contractors in the construction industry.
- (iii) Trading - involved in trading of construction materials.
- (iv) Investment holding - involved in group-level corporate services.
- (v) Logging and trading of timber - involved in the extraction and trading of timber.
- (vi) Services - involved as transportation and logistics service provider.
- (vii) Plantation – involved in cultivation and sale of agricultural products.

The Group Executive Committee (the chief operating decision maker) review internal management report at least on a quarterly basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Income taxes were managed on a group basis and were not allocated to operating segments.

Assets, liabilities, and expenses which were common and cannot be meaningfully allocated to the operating segments were presented under Notes 50.1(d) and 50.1(e). Unallocated items comprise mainly current tax assets, current tax liabilities, deferred tax assets and deferred tax liabilities.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS

	2021					The Group RM'000		
	Property Development RM'000	Construction RM'000	Trading RM'000	Investment Holding RM'000	Logging and Trading of Timber RM'000		Services RM'000	Plantation RM'000
Revenue	38,737	84,959	418	459	22,669	1,167	-	148,409
External sales	-	20,247	12,064	12,558	-	-	-	44,869
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	38,737	105,206	12,482	13,017	22,669	1,167	-	193,278
Consolidation adjustments	-	-	-	-	-	-	-	(40,165)
Consolidated revenue	38,737	105,206	12,482	13,017	22,669	1,167	-	153,113

	2021					The Group RM'000		
	Property Development RM'000	Construction RM'000	Trading RM'000	Investment holding RM'000	Logging and trading of timber RM'000		Services RM'000	Plantation RM'000
Revenue recognised at a point of time	-	-	12,482	-	22,669	-	-	35,151
- Trading	-	-	12,482	-	22,669	-	-	1,167
- Services	-	-	-	-	-	1,167	-	9,597
- Dividend income	-	-	-	9,597	-	-	-	-
Revenue recognised over time	-	105,206	-	-	-	-	-	105,206
- Construction services	38,737	-	-	-	-	-	-	38,737
- Property development	-	-	-	-	-	-	-	-
- Services	-	-	-	3,420	-	-	-	3,420
Total revenue	38,737	105,206	12,482	13,017	22,669	1,167	-	193,278
Consolidation adjustments	-	-	-	-	-	-	-	(40,165)
Consolidated revenue	38,737	105,206	12,482	13,017	22,669	1,167	-	153,113

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

2020	Property Development RM'000	Construction RM'000	Trading RM'000	Investment Holding RM'000	Logging and Trading of Timber RM'000	Services RM'000	The Group RM'000
Revenue							
External sales	46,668	146,323	11,820	210	30,224	1,173	236,418
Inter-segment sales	-	32,417	10,497	9,925	-	-	52,839
Total revenue	46,668	178,740	22,317	10,135	30,224	1,173	289,257
Consolidation adjustments							(54,650)
Consolidated revenue							234,607
2020							
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Trading	-	-	22,317	-	30,224	-	52,541
- Services	-	-	-	-	-	1,173	1,173
- Dividend income	-	-	-	7,062	-	-	7,062
<u>Revenue recognised over time</u>							
- Construction services	-	178,740	-	-	-	-	178,740
- Property development	46,668	-	-	-	-	-	46,668
- Services	-	-	-	3,073	-	-	3,073
Total revenue	46,668	178,740	22,317	10,135	30,224	1,173	289,257
Consolidation adjustments							(54,650)
Consolidated revenue							234,607

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

(a) Non-cash income consist of the following:-

	The Group	
	2021 RM'000	2020 RM'000
Gain on disposal of equipment	209	14
Reversal of impairment loss on trade receivables	1,050	84
Unrealised gain on foreign exchange	1,569	398
	2,828	496

(b) Non-cash expenses consist of the following:-

	The Group	
	2021 RM'000	2020 RM'000
Equipment written off	2,589	-
Impairment loss on trade receivables	345	216
Inventory written down	49	702
	2,983	918

(c) Additions to non-current assets consist of the following:-

	The Group	
	2021 RM'000	2020 RM'000
Plant and machinery	5,369	2,709
Motor vehicles	-	57
Furniture, fittings and office equipment	82	20
Immature bearer plants	1,280	-
Right-of-use assets	3,829	1,497
	10,560	4,283

(d) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	The Group	
	2021 RM'000	2020 RM'000
Inter-segment balances	(408,121)	(404,824)
Current tax assets	9,379	7,838
	(398,742)	(396,986)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

- (e) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	The Group	
	2021	2020
	RM'000	RM'000
Inter-segment balances	(66,705)	(59,801)
Deferred tax liabilities	8,263	7,774
Current tax liabilities	2,341	1
	(56,101)	(52,026)

50.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	Revenue	
	2021	2020
	RM'000	RM'000
Malaysia	153,113	233,287
Australia	-	1,320
	153,113	234,607

The information by geographical segment for non-current assets is not presented as the non-current assets relating to Australia is immaterial to the Group.

50.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group revenue:-

	Segment	Revenue	
		2021	2020
		RM'000	RM'000
Customer A	Construction	34,351	67,774
Customer B	Construction	-	63,086
Customer C	Construction	48,690	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

51. CAPITAL COMMITMENT

	The Group	
	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	3,176	2,506

52. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2021 RM'000	2020 RM'000
Performance and tender bond granted to contract customers	28,735	54,963

53. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

53.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk is primarily Australian Dollar ("AUD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

	AUD RM'000
The Group	
2021	
<u>Financial Assets</u>	
Other receivable	8,930
Amount owing by associate	29,058
Cash and bank balances	808
	38,796
<u>Financial Liability</u>	
Other payables and accruals	5
	38,791
Less: Net financial assets denominated in the Company's functional currency	(803)
Net currency exposure	37,988
2020	
<u>Financial Assets</u>	
Other receivables	9,870
Amount owing by associate	27,488
Cash and bank balances	11
	37,369
	37,369
Less: Net financial assets denominated in the Company's functional currency	(951)
Currency exposure	36,418

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Any reasonably possible change in the foreign exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit after taxation and other comprehensive income of the Group and the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks, lease liabilities and hire purchase payables are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to the interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 35(b) to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investment at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021 RM'000	2020 RM'000
Effects on Profit After Taxation		
Increase of 10%	6,351	3,826
Decrease of 10%	(6,351)	(3,826)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the trade receivables at the end of the reporting period is as follows:-

	2021	2020
Major concentration of credit risk	70%	56%
Number of customers	3	4

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets and debt instruments at fair value through other comprehensive income are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information and past trends of payments, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 120 days are deemed credit impaired and assessed for their risk of loss individually except for the construction segment which used significant balances outstanding for more than 1 year for this purpose.

During the current financial year, the Group has changed its risk management practices in response to the COVID-19 pandemic. The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM'000	Collective Impairment RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2021				
Not past due	25,303	-	-	25,303
Past due:				
- less than 3 months	11,838	-	-	11,838
- 3 to 6 months	3,656	-	(315)	3,341
- over 6 months	978	-	(33)	945
- more than 1 year	30,631	(238)	(20,366)	10,027
	47,103	(238)	(20,714)	26,151
Trade receivables	72,406	(238)	(20,714)	51,454
Contract assets	24,272	(135)	(9,609)	14,528
	96,678	(373)	(30,323)	65,982
2020				
Not past due	15,349	-	-	15,349
Past due:				
- less than 3 months	8,716	-	-	8,716
- 3 to 6 months	6,893	-	-	6,893
- over 6 months	2,080	-	(1,053)	1,027
- more than 1 year	31,718	(238)	(20,366)	11,114
	49,407	(238)	(21,419)	27,750
Trade receivables	64,756	(238)	(21,419)	43,099
Contract assets	36,567	(135)	(9,609)	26,823
	101,323	(373)	(31,028)	69,922

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 13 and 16 to the financial statements respectively.

The Company

The Company believes that no impairment allowance is necessary in respect of its trade receivables because they are subsidiaries with positive financial position.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

At the end of the reporting period, there was no indication that the amount owing is not recoverable other than those which had already impaired in the previous financial year.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Related Parties

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to related parties have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related parties' loans and advances when they are payable, the Company considers the loans and advances to be in default when the related parties' are not able to pay when demanded. The Company considers a related party's loan or advance to be credit impaired when the related party is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the related party is having a deficit in its total equity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Related Parties (Cont'd)

The Company determines the probability of default for these loans and advances individually using internal information available.

At the end of the reporting period, there was no indication that the amount owing are not recoverable.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	2 - 5 Years RM'000
The Group				
2021				
<u>Non-derivative Financial Liabilities</u>				
Trade payables	32,220	32,220	32,220	-
Other payables and accruals	26,251	26,251	26,251	-
Amount owing to an associate	23	23	23	-
Lease liabilities	4,707	4,955	3,420	1,535
Invoice financing facility	1,108	1,108	1,108	-
Revolving credit	45,000	45,000	45,000	-
	109,309	109,557	108,022	1,535

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	2 – 5 Years RM'000
The Group				
2020				
<u>Non-derivative Financial Liabilities</u>				
Trade payables	36,151	36,151	36,151	-
Other payables and accruals	23,853	23,853	23,853	-
Term loans	2,000	2,029	2,029	-
Lease liabilities	4,701	4,898	2,416	2,482
Invoice financing facility	5,508	5,508	5,508	-
Revolving credit	20,000	20,000	20,000	-
	92,213	92,439	89,957	2,482

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
The Company			
2021			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	276	276	276
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	75,264	75,264
	276	75,540	75,540
2020			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	267	267	267
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	66,478	66,478
	267	66,745	66,745

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2021	2020
	RM'000	RM'000
Term loans	-	2,000
Lease liabilities	4,707	4,701
Invoice financing facility	1,108	5,508
Revolving credit	45,000	20,000
	50,815	32,209
Less: Cash and cash equivalent (Note 48(c))	(109,628)	(63,705)
Net cash	(58,813)	(31,496)
Total equity attributable to the owners of the Company	355,786	309,782
Debt-to-equity ratio	N/A	N/A

The Group is also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with this requirement. There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2021 The Group RM'000	The Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments	40,577	20,576
<u>Mandatorily at Fair Value Through Other Comprehensive Income</u>		
Investment securities	22,930	22,930
<u>Amortised Cost</u>		
Trade receivables	51,454	-
Other receivables	9,476	2
Amount owing by subsidiaries	-	19,674
Amount owing by associates	31,784	2,705
Fixed deposits with licensed banks	10,149	-
Cash and bank balances	69,051	74
	171,914	22,455
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities	4,707	-
Trade payables	32,220	-
Other payables and accruals	26,251	276
Amount owing to an associate	23	-
Revolving credit	45,000	-
Invoice financing facility	1,108	-
	109,309	276

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2020 The Group RM'000	The Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments	27,661	594
<u>Mandatorily at Fair Value Through Other Comprehensive Income</u>		
Investment securities	10,601	10,601
<u>Amortised Cost</u>		
Trade receivables	43,099	-
Other receivables	11,775	3
Amount owing by subsidiaries	-	16,425
Amount owing by associates	30,791	3,303
Fixed deposits with licensed banks	12,601	-
Cash and bank balances	36,044	3,606
	134,310	23,337
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities	4,701	-
Trade payables	36,151	-
Other payables and accruals	23,853	267
Term loans	2,000	-
Revolving credit	20,000	-
Invoice financing facility	5,508	-
	92,213	267

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	2021	
	The Group RM'000	The Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Dividend income	427	427
Interest income	470	76
Fair value gain in financial assets measured at fair value through profit or loss	10	10
<u>Mandatorily at Fair Value Through Other Comprehensive Income</u>		
Fair value changes on equity instruments	28,766	28,766
<u>Amortised Cost</u>		
Impairment losses on trade receivables	705	(132)
Interest income	814	316
Gain on foreign exchange - unrealised	1,569	-
Financial Liability		
<u>Amortised Cost</u>		
Interest expenses	(723)	*

Note:-

* Amount less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

	2020	2020
	The Group RM'000	The Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Dividend income	177	177
Interest income	499	13
Fair value gain in financial assets measured at fair value through profit or loss	31	20
<u>Mandatorily at Fair Value Through Other Comprehensive Income</u>		
Fair value changes on equity instruments	394	394
<u>Amortised Cost</u>		
Impairment losses on trade receivables	(132)	-
Interest income	694	(392)
Gain on foreign exchange - realised	4	4
Gain on foreign exchange - unrealised	398	-
Financial Liability		
<u>Amortised Cost</u>		
Interest expenses	(2,525)	-

53. FINANCIAL INSTRUMENTS (CONT'D)**53.5 FAIR VALUE INFORMATION**

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2021								
Financial Assets								
Investment securities	22,930	-	-	-	-	-	22,930	22,930
Short-term investments	40,577	-	-	-	-	-	40,577	40,577
2020								
Financial Assets								
Investment securities	10,601	-	-	-	-	-	10,601	10,601
Short-term investments	27,661	-	-	-	-	-	27,661	27,661
Financial Liabilities								
Term loans	-	-	-	-	2,000	-	2,000	2,000

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year ended 30 June 2021 (cont'd)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)**53.5 FAIR VALUE INFORMATION (CONT'D)**

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2021								
Financial Assets								
Investment securities	22,930	-	-	-	-	-	22,930	22,930
Short-term investments	20,576	-	-	-	-	-	20,576	20,576
2020								
Financial Assets								
Investment securities	10,601	-	-	-	-	-	10,601	10,601
Short-term investments	594	-	-	-	-	-	594	594

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2021 (cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.5 FAIR VALUE INFORMATION (CONT'D)

The fair values which are for disclosure purpose, have been determined using the following basis:-

Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair value of unit trusts is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

Fair Value of Financial Instruments Not Carried at Fair Value

- (i) In the previous financial year, the fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting period.

54. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

The Group's financial performance and cash flows for the current reporting period had been materially impacted by the COVID-19 pandemic. Nevertheless, the Group will continuously assess the situation and put in place measures to minimise impact to its businesses. .

55. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (i) Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia and markets in which the Group operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.
- (ii) On 6 September 2021, the resolution as set out in the Notice of Postponed Extraordinary General Meeting dated 20 August 2021 in regards to the Proposed Renounceable Rights Issue of up to 373,882,456 New Ordinary Shares in FBG on the basis of one (1) Rights Share for every one (1) existing FBG Share held on the entitlement date, together with up to 373,882,456 free detachable Warrants in FBG on the basis of one (1) Warrant for every one (1) Rights Share subscribed for at an issue price of RM0.10 per Rights Share, was duly passed by the shareholders of the Company.

These New Ordinary Shares and Warrants will be listed on the Bursa Malaysia Securities Berhad on 25 October 2021.

The warrants have a term of five (5) years to exercise from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid..

LIST OF PROPERTIES

30 June 2021

Owned by :	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Fajarbaru Builder Sdn Bhd	Lot 7496, Mukim Labu, Seremban, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in May 1995)	2,227	360
	Lot 7695, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Feb 2010)	984	297
	Lot 7716, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Feb 2010)	446	134
	Lot 7406, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Feb 2010)	353	84
	Lot 7426, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Feb 2010)	372	88
	Lot 7357, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Feb 2010)	280	66
	Lot 7715, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land - (acquired in Dec 2010)	446	134
	61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	20	4 Storey Shop Lot - (acquired in Oct 2005)	374	2,105
	59, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	20	4 Storey Shop Lot - (acquired in Oct 2013)	187	1,310

LIST OF PROPERTIES

30 June 2021 (cont'd)

Owned by :	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Potential Region Sdn Bhd	*PD Orchard Homestead Resort, Off Jalan Si-Rusa-Sunggala, Port Dickson, Negeri Sembilan Darul Khusus	Freehold	N/A	75 orchard homestead lots - (acquired in June 1994)	344,670	11,237
		Freehold	N/A	109 Bungalow Lots - (acquired in June 1994)	127,367	18,506
		Freehold	N/A	1 lot 4.33 acres commercial land PT3223 - (acquired in June 1994)	17,500	3,391
		99 years leasehold expiring 30.05.2096	N/A	1 lot 10 acres agriculture Land PT3386 - (acquired in June 1994)	40,469	871
		Freehold	N/A	1 orchard homestead lot PT 3261 - (acquired in Feb 2003)	4241	251
		Freehold	N/A	1 orchard homestead lot PT3256 - (acquired in Apr 2003)	6,857	406
		Freehold	N/A	1 orchard homestead lot PT3204 - (acquired in Jul 2003)	4,101	243

LIST OF PROPERTIES

30 June 2021 (cont'd)

Owned by :	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Renowaja Sdn Bhd	HM 57019 (Lot 10697), Pulau Melaka Town Area XLIII, District of Melaka Tengah, State of Melaka.	99 years leasehold expiring 15.04. 2113	N/A	Vacant Land for development - (acquired in Sept 2010)	4,321	4,485
	HM 57014, 57020 (Lot 10698-10699), Pulau Melaka Town Area XLIII, District of Melaka Tengah, State of Melaka.	99 years leasehold expiring 15.04. 2113	N/A	Vacant Land for development - (acquired in Sept 2010)	8,721	9,053
Fajarbaru Land Sdn Bhd	GM1408, Lot 796, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Freehold	N/A	Vacant Land for development - (acquired in Oct 2012)	27,490	41,857

ORCHARD HOMESTEAD LOTS

* HSD 34235-34239 (PT 6117-6121), Geran 103178 – 103188 (Lot 7929 -7939), Geran 103190 – 103195 (Lot 7941 – 7946), Geran 103197 – 103199 (Lot 7948 – 7950), Geran 103201 (Lot 7952), Geran 103204 – 103213 (Lot 7955 – 7964), Geran 103215 (Lot 7967), Geran 103220 (Lot 7972), Geran 103229 – 103230 (Lot 7981 – 7982), Geran 103238 – 103241 (Lot 7990 – 7993), Geran 103243 (Lot 7995), Geran 103245 (Lot 7997), Geran 103252 (Lot 8004), Geran (103257 (Lot 8009), Geran 103260 (Lot 8012), Geran 103265 – 103266 (Lot 8017 - 8018), Geran 103273 (Lot 8025), Geran 103277-103278 (Lot 8029 - 8030), Geran 103280 - 103285 (8032-8037), Geran 103287 (Lot 8039), Geran 103290 – 103291 (Lot 8042 - 8043), Geran 103293 – 103296 (Lot 8045 - 8048), Geran 103305 -103308 (Lot 8057 - 8060), Geran 103310 (Lot 8062), Geran 103311-103312 (Lot 8063 - 8064), Geran 169498 (Lot 9175).

BUNGALOW LOTS

* HM247654 – 254015 (Lot 20134 – 20125)

ANALYSIS OF SHAREHOLDINGS

As at 4 October 2021

LIST OF DIRECTORS' SHAREHOLDINGS

(as per Record of Register of Directors' Shareholdings)

	No. of Shares		No. of Shares		
	(Direct)	%	(Indirect)		%
Tan Sri Dato' Sri Chan Kong Choy	-	-	2,895,917	(a)	0.78
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	28,260,600	7.62	7,581,600	(b)	2.04
Dato' Sri Kuan Khian Leng	-	-	35,842,200	(c)	9.67
Datuk Seri Lau Kuan Kam	2,605,453	0.70	9,742,600	(d)	2.63
Ir. Kong Kam Loong	105,800	0.03	-		-
Dato' Ismail Bin Haji Omar	17,269	0.00	-		-
Dato' Lim Siew Mei	3,714,980	1.00	3,676,200	(e)	0.99
Ooi Leng Chooi	16,900	0.00	-		-

LIST OF SUBSTANTIAL SHAREHOLDERS

(as per Record of Register of Substantial Shareholders)

	No. of Shares		No. of Shares		
	(Direct)	%	(Indirect)		%
Tan Sri Datuk Ta Kin Yan	41,100,000	11.08	-		-
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	28,260,600	7.62	7,581,600	(b)	2.04

Notes:-

- Deemed interest by virtue of Section 197 of the Companies Act, 2016 through his wife, Puan Sri Lai Yoke Lan and children, Chan Kaixuan, Chan Jiayang and Chan Jiaheng.
- Deemed interest by virtue of Section 8 of the Companies Act, 2016 through Unique Bay Sdn. Bhd.
- Deemed interest by virtue of Section 8 and 197 of the Companies Act, 2016 through Unique Bay Sdn. Bhd. and his father, Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon.
- Deemed interest by virtue of Section 8 and 197 of the Companies Act, 2016 through Top Future Holdings Sdn. Bhd. and his wife, Datin Seri Low Khoo Lan and children, Lau Sin Nee and Lau Choon Xian.
- Deemed interest by virtue of Section 197 of the Companies Act, 2016 through her siblings, Dato' Lim Siew Chee and Dato' Lim Siew Mun.

ANALYSIS OF SIZE OF SHAREHOLDINGS AS AT 4 OCTOBER 2021

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share held
Less than 100	1,026	20.88	44,810	0.01
100 – 1,000	610	12.42	228,353	0.06
1,001 – 10,000	1,779	36.21	9,057,635	2.44
10,001 – 100,000	1,207	24.57	38,603,897	10.41
100,001 to less than 5% of issued shares	289	5.88	263,511,397	71.06
5% and above of issued shares	2	0.04	59,360,600	16.01
TOTAL	4,913	100.00	370,806,692	100.00

LIST OF THIRTY (30) LARGEST ACCOUNTHOLDERS

As at 4 October 2021

No.	Names	Shareholdings	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	31,100,000	8.39
2.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUAN PENG CHING @ KUAN PENG SOON (7000855)	28,260,600	7.62
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MODERN DISCOVERY SDN BHD (PB)	18,321,678	4.94
4.	CHANG MEI YUN	16,167,800	4.36
5.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR IMPROVE PERFORMANCE INVESTMENTS LIMITED (418541)	12,246,913	3.30
6.	LAI HONG MUN	10,895,450	2.94
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	10,000,000	2.70
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-BCG)	9,830,500	2.65
9.	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	8,656,227	2.33
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	8,288,100	2.24
11.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	7,581,600	2.05
12.	TOP FUTURE HOLDINGS SDN BHD	6,386,600	1.72
13.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR GRAND CONTINENTAL WORLDWIDE LIMITED (417921)	6,151,904	1.66
14.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARY TAN @ TAN HUI NGOH (STF)	5,668,000	1.53
15.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	4,602,452	1.24

LIST OF THIRTY (30) LARGEST ACCOUNTHOLDERS

As at 4 October 2021 (cont'd)

No.	Names	Shareholdings	%
16.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	4,191,100	1.14
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHUA TIONG MOON	3,915,000	1.06
18.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	3,822,400	1.03
19.	NG TONG HAI	3,750,700	1.01
20.	LAU FOY HANG @ LAU FAY HANG	3,533,000	0.95
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	3,261,643	0.88
22.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW MEI (PB)	3,261,380	0.88
23.	KENANGAN NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	3,225,700	0.87
24.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW CHEE (PB)	3,076,200	0.83
25.	LAU KUAN KAM	2,605,453	0.70
26.	KOH LOK KIANG WILLIAM	2,372,390	0.64
27.	TEO HWEE CHENG	2,337,200	0.63
28.	YEW CHEE CHUNG	2,038,400	0.55
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LOW KHOON LAN (E-SJA/SAM)	1,987,000	0.53
30.	CHAI KIM CHONG	1,806,300	0.49

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No. of Shares held	
CDS No.	

Form of Proxy

I/ We _____
(Full name in block letters)

of _____
(Address)

being a member of FAJARBARU BUILDER GROUP BHD, hereby appoint _____
(Full name in block letters)

of _____
(Address)

and _____
(Full name in block letters)

of _____
(Address)

as my/our proxy to vote for me/ us and on my/ our behalf at the **TWENTY-SEVENTH ANNUAL GENERAL MEETING** of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 1 December 2021 at 10.00 a.m., or at any adjournment thereof:

My/ our proxy is to vote as indicated hereunder.

Resolution		For	Against
Resolution 1	To re-elect Mr. Ooi Leng Chooi as Director of the Company		
Resolution 2	To re-elect Tan Sri Dato' Sri Chan Kong Choy as Director of the Company		
Resolution 3	To re-elect Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon as Director of the Company		
Resolution 4	To re-elect Datuk Seri Lau Kuan Kam as Director of the Company		
Resolution 5	To re-elect Ir. Kong Kam Loong as Director of the Company		
Resolution 6	To approve the payment of Directors' fees amounting to RM255,000 up to the 27 th AGM, payable to Non-Executive Directors		
Resolution 7	To approve the payment of Directors' benefits up to an amount of RM90,000, from 1 April 2021 up to the 27 th AGM, payable to newly appointed Non-Executive Directors		
Resolution 8	To approve the payment of Directors' fees amounting to RM430,000 for the period from the 27 th AGM until the next AGM payable to Non-Executive Directors		
Resolution 9	To approve the payment of Directors' benefits up to an amount of RM135,000 for the period from the 27 th AGM until the next AGM payable to Non-Executive Directors		
Resolution 10	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2022 and to authorise the Directors to fix their remuneration		
Resolution 11	To approve the Continuation of office as Independent Director – Dato' Ismail Bin Haji Omar		
Resolution 12	To approve the Authority to Issue Shares		
Resolution 13	To approve the Proposed Renewal of Share Buy-back Authority		

Date this _____ day of _____, 2021.

Signature

NOTES:-

1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such member, and where a member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy to attend and vote instead of him at the same meeting. Where a member appoints more than (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
2. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company.
4. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for the Meeting.
6. Depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting.

The Company Registrar
FAJARBARU BUILDER GROUP BHD
Unit 32-1, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

Affix
Stamp
here



No. 61 & 63, Jalan SS6/12, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel : 603-7804 9698 (Hunting Line)
Fax : 603-7804 3698 / 7804 4849

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