

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 2nd Quarter Ended 31 December 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2021	Preceding Year Corresponding Quarter 31/12/2020	Changes	Current Year To Date 31/12/2021	Preceding Year Corresponding Period 31/12/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	56,417	20,969	169	78,297	70,242	11
Cost of Sales	(45,614)	(9,301)	390	(62,227)	(40,420)	54
Gross Profit	10,803	11,668	-7	16,070	29,822	-46
Other Income	286	3,261		512	3,900	
Interest Income	401	276		792	583	
Operating Expenses	(7,031)	(5,425)		(13,877)	(11,929)	
Finance Costs	(154)	(146)		(338)	(276)	
Share of results of associates	1,664	(260)		2,866	360	
Profit/(Loss) Before Tax	5,969	9,374	-36	6,025	22,460	-73
Tax Expenses	(1,671)	(2,532)		(2,490)	(6,363)	
Profit/(Loss) for the period	4,298	6,842	-37	3,535	16,097	-78
Profit/(Loss) attributable to :						
Owners of the Company	4,447	6,395	-30	2,802	12,207	-77
Non-controlling interest	(149)	447	-133	733	3,890	-81
	4,298	6,842	-37	3,535	16,097	-78
Weighted average no. of shares ('000)	644,881	370,807		507,844	370,807	
(Loss)/Earnings per share attributable to Owners of the Company (sen)						
- Basic	0.69	1.72		0.55	3.29	
- Diluted	0.44	-		0.32	-	

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 2nd Quarter Ended 31 December 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2021	Preceding Year Corresponding Quarter 31/12/2020	Changes	Current Year To Date 31/12/2021	Preceding Year Corresponding Period 31/12/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	4,298	6,842	-37	3,535	16,097	-78
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	(982)	17,901		822	23,004	
Foreign currency translation						
- Gain/(loss) on currency translation	(87)	27		(320)	30	
Total Comprehensive income/(loss)	3,229	24,770	-87	4,037	39,131	-90
Total comprehensive income/(loss) attributable to :						
Owners of the Company	3,383	24,310	-86	3,309	35,227	-91
Non-controlling interest	(154)	460	-134	728	3,904	-81
	3,229	24,770	-87	4,037	39,131	-90

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

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	(Unaudited)	(Audited)
	As At End of Current Quarter 31/12/2021	Financial Year Ended 30/06/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	24,496	27,359
Right-of-use assets	6,115	6,938
Investment properties	44,137	44,129
Investment securities	15,521	22,930
Investment in associates	17,176	14,630
Intangible assets	215	215
Bearer plant	1,719	1,281
Other receivables & prepayments	12,038	12,573
Goodwill	7	7
	121,424	130,062
Current assets		
Inventories	99,498	115,962
Trade receivables	85,441	58,683
Other receivables	22,029	21,246
Contract Assets	14,815	15,119
Tax recoverable	5,240	7,043
Amount due from associates	30,972	31,763
Short-term investments	65,161	40,577
Fixed deposits with licensed banks	10,216	10,149
Cash and bank balances	80,717	69,050
	414,089	369,592
TOTAL ASSETS	535,513	499,654
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	210,082	194,303
Treasury shares	(1,655)	(1,655)
Warrant reserves	21,302	-
Other reserves	1,110	1,110
Fair value reserves	9,610	14,084
Foreign currency translation reserves	(1,267)	(952)
Retained profits	149,578	148,896
Equity attributable to owners of the Company	388,760	355,786
Non-Controlling interests	13,351	12,623
TOTAL EQUITY	402,111	368,409
Non-current liabilities		
Deferred tax liabilities	8,263	8,263
Loans and borrowings	380	1,864
	8,643	10,127
Current liabilities		
Loans and borrowings	60,738	48,951
Trade payables	27,070	29,054
Other payables	35,471	37,980
Contract liabilities	648	5,128
Provision of taxation	832	5
	124,759	121,118
TOTAL LIABILITIES	133,402	131,245
TOTAL EQUITY AND LIABILITIES	535,513	499,654
Net assets per share attributable to owners of the Company (RM)	0.5242	0.9595
No. of Shares issued (net of treasury shares)	741,613,384	370,806,692

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 31 DECEMBER 2021**

	End of Current Quarter 31/12/2021	End of Preceding Corresponding Quarter 31/12/2020
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before taxation	6,025	22,460
Adjustment for :		
Amortisation of intangible assets	1	1
Depreciation on property, plant and equipment	5,675	6,088
Depreciation on right-of-use assets	1,032	1,161
(Gain) / Loss on disposal of property, plant and equipment	(82)	(45)
(Gain) / Loss on disposal of quoted investment	-	(1,667)
Reversal of impairment loss on trade receivables	(13)	-
Interest income	(792)	(583)
Dividend income	(264)	(12)
Finance costs	338	275
Share of results of associates	(2,866)	(360)
Unrealise (gain) / loss on foreign exchange differences	806	(1,409)
Operating profit before working capital changes	9,860	25,909
Change in working capital		
(Increase)/Decrease in inventories	16,018	1,394
(Increase)/Decrease in receivables	(26,993)	12,492
Increase/(Decrease) in payables	(4,509)	(21,623)
Decrease/(Increase) in contract assets/liabilities	(4,175)	(12,132)
Cash generated from / (used in) operations	(9,799)	6,040
Taxes paid	141	(3,785)
Interest paid	(338)	(275)
Interest received	455	182
Net cash flow (used in)/ generated from operating activities	(9,541)	2,162
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	337	385
Dividend received	264	12
Additional net cash outflow for acquisition of associates	-	(3,005)
Proceeds from disposal of property, plant and equipment	138	45
Proceeds from disposal of other investment	8,230	6,139
Additional of right-of-use assets	(209)	(3,809)
Purchase of property, plant and equipment	(2,868)	1,069
Repayment/(Advance) to associates	-	(1,410)
Net cash generated from / (used in) investing activities	5,892	(574)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividends paid on ordinary shares	(7,416)	(6,489)
Dividend paid by subsidiary to non controlling interest	-	(5,880)
Net proceed from issuance of rights issue	15,779	-
Proceeds from exercise of warrants	21,302	-
Proceeds from hire purchase	-	2,934
Repayment of lease liabilities	(108)	(289)
Repayment of hire purchase	(1,526)	(932)
(Repayment)/Drawdown of loan and borrowings	11,937	15,763
Net cash generated from / (used in) financing activities	39,968	5,107
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36,319	6,695
Effect of exchange rate changes on cash and cash equivalents	(1)	49
CASH AND BANK BALANCES AS AT 1 JULY	119,776	75,483
CASH AND BANK BALANCES AS AT 31 DECEMBER	156,094	82,227
Less : Fixed deposit under lien	(10,216)	(12,690)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	145,878	69,537

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

Unaudited Consolidated Statement of Changes in Equity
For the 2nd Quarter Ended 31 December 2021

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2021	194,303	(1,655)	1,110	-	-	14,084	(952)	148,896	355,786	12,623	368,409
Total comprehensive income/(loss) for the year	-	-	-	-	-	822	(315)	2,802	3,309	728	4,037
Transactions with owners											
Dividends	-	-	-	-	-	-	-	(7,416)	(7,416)	-	(7,416)
Issue of ordinary shares:											
- pursuant to rights issue	15,779	-	-	-	-	-	-	-	15,779	-	15,779
Issue of warrants	-	-	-	21,302	-	-	-	-	21,302	-	21,302
Disposal of quoted investment						(5,296)	-	5,296	-	-	-
As at 31 December 2021	210,082	(1,655)	1,110	21,302	-	9,610	(1,267)	149,578	388,760	13,351	402,111
As at 1 July 2020	194,303	(1,655)	1,110	-	-	(1,222)	(714)	117,960	309,782	17,290	327,072
Total comprehensive income for the year	-	-	-	-	-	23,004	16	12,207	35,227	3,904	39,131
Transactions with owners											
Dividends	-	-	-	-	-	-	-	(6,489)	(6,489)	(5,880)	(12,369)
Disposal of quoted investment	-	-	-	-	-	(4,471)	-	4,471	-	-	-
As at 31 December 2020	194,303	(1,655)	1,110	-	-	17,311	(698)	128,149	338,520	15,314	353,834

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

Notes to the Interim Financial Report

A1 Basis of preparation

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

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

A2 Changes of accounting policies

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

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

Amendments to MFRS 3: Definition of a Business

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

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

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

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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

Approved and Authorised to release
the announcement to Bursa Securities

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Date :

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

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

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

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

A3 Audit Report of Preceding Annual Financial Statements

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

A4 Seasonal or cyclical factors

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

A5 Unusual items

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

A6 Changes in estimates

Not applicable.

A7 Significant related party transactions

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

A8 Movement in debt and equity securities

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

The details of shares held as treasury shares for the period ended 31 December 2021 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 September 2021	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 31 December 2021	3,075,764	1,654,910

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

A9 Dividend paid

An interim single tier dividend of 1 sen per ordinary share amounting to RM7,416,133.84 in respect of the financial year ending 30 June 2022 was paid on 28 December 2021.

A10 Carrying Amount of revalued property, plant and equipment

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

A11 Segmental reporting

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

6 months ended 31.12.21	Before Group's Eliminations							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
Revenue									
External Sales	35,608	6,885	34,792	244	478	290	-	-	78,297
Inter-segment sales	-	-	-	5,486	-	1,886	3	(7,375)	-
Total revenue	35,608	6,885	34,792	5,730	478	2,176	3	(7,375)	78,297
Results									
Profit/(Loss) from operation	(3,712)	2,385	4,023	(395)	(47)	(331)	(98)	1,672	3,497
Finance costs	(300)	(2)	(193)	(18)	(18)	(110)	(7)	310	(338)
Share of results in associates	-	1,683	1,183	-	-	-	-	-	2,866
Profit/(Loss) before tax	(4,012)	4,066	5,013	(413)	(65)	(441)	(105)	1,982	6,025
Total assets									
Segment assets/									
Consolidated total assets	196,111	32,021	165,261	8,369	675	499,275	568	(366,767)	535,513

	Before Group's Eliminations								
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000	Adjustment and Eliminations RM'000	Total RM'000
6 months ended 31.12.20									
Revenue									
External Sales	37,514	20,186	6,833	344	875	28	-	4,462	70,242
Inter-segment sales	3,562	-	-	5,649	-	7,814	-	(17,025)	-
Total revenue	41,076	20,186	6,833	5,993	875	7,842	-	(12,563)	70,242
Results									
Profit/(Loss) from operation	5,133	22,459	2,219	(314)	43	8,808	(20)	(15,952)	22,376
Finance costs	(215)	(3)	(19)	(28)	(11)	-	-	-	(276)
Share of results in associates	-	364	(4)	-	-	-	-	-	360
Profit/(Loss) before tax	4,918	22,820	2,196	(342)	32	8,808	(20)	(15,952)	22,460
Total assets									
Segment assets/ Consolidated total assets	178,382	36,854	167,173	6,830	1,067	463,843	6	(391,192)	462,963

A12 Events subsequent to the balance sheet date

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

A13 Changes in composition of the Group

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

A14 Capital commitments

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

<u>Property, Plant & Equipment</u>	31 December 2021 RM'000
Approved and contracted for	
- Denominated in RM	3,752

A15 Changes in contingent liabilities

	The Group		The Company	
	As at 31.12.21	As at 30.06.21	As at 31.12.21	As at 30.06.21
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	29,465	28,735	-	-

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

B1 Review of performance

	Individual Period (2nd quarter)			Cumulative Period		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter 31/12/2021 (RM'000)	Corresponding Quarter 31/12/2020 (RM'000)	(%)	To-date 31/12/2021 (RM'000)	Corresponding Period 31/12/2020 (RM'000)	(%)
Revenue	56,417	20,969	169	78,297	70,242	11
Profit/(loss) from operation	4,458	9,780	(54)	3,496	22,376	(84)
Profit/(loss) before interest and tax	6,123	9,520	(36)	6,363	22,736	(72)
Profit/(loss) before tax	5,969	9,374	(36)	6,025	22,460	(73)
Profit/(loss) after tax	4,298	6,842	(37)	3,535	16,097	(78)
Profit/(loss) attributable to Owners of the Company	4,447	6,395	(30)	2,802	12,207	(77)

The Group recorded an increase in revenue of RM56.42 million in the current quarter as compared to RM20.97 million in the preceding year corresponding quarter. The Group's profit before tax decreased to RM5.97 million as compared to RM9.37 million in the preceding year corresponding quarter. The higher revenue was mainly attributed from the Property Development and Construction segments while the decrease in profit before tax was mainly due to the Construction segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 December 2021 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter 31/12/2021 (RM'000)	Corresponding Quarter 31/12/2020 (RM'000)	(RM'000)	Quarter 31/12/2021 (RM'000)	Corresponding Quarter 31/12/2020 (RM'000)	(RM'000)
<u>Segment</u>						
Construction	23,749	17,349	6,400	(2,293)	6,686	(8,979)
Logging & timber trading	885	3,191	(2,306)	1,096	987	109
Property development	31,152	14	31,138	7,654	(439)	8,093
Trading	166	128	38	(85)	(107)	NM
Logistic	271	274	(3)	(86)	(156)	NM
Investment holding	195	13	182	(248)	2,423	(2,671)
Plantation	-	-	-	(70)	(20)	NM
Total	56,417	20,969		5,969	9,374	

* NM = Non-meaningful

Construction Segment

In the current quarter, revenue increased to RM23.75 million as compared to RM17.35 million in the preceding year corresponding quarter. There is a loss before tax of RM2.29 million in the current quarter as compared to a profit before tax of RM6.69 million in the preceding year corresponding quarter.

The slight increase in revenue was mainly contributed from Duta Park construction project which higher progress due to the lifting of the MCO (movement control order). The higher profit before tax in the previous quarter was mainly due to the finalization of accounts for the LRT projects in the previous financial year which was not repeated in the current quarter.

Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded a lower revenue of RM0.89 million for the current quarter as compared to RM3.19 million in the preceding year corresponding quarter. Profit before tax increased to RM1.10 million in the current quarter as compared to profit before tax of RM0.99 million in the preceding year corresponding quarter.

The lower revenue in the current quarter was due to the current working block has ended production and the Group is the midst of obtaining permit for new working block. The increase in profit before tax in the current quarter was mainly due to the profit contributed from the Group's associate company.

Property Development Segment

The Property Development segment recorded an increase in revenue of RM31.15 million in the current quarter as compared to a revenue of RM0.01 million in the preceding year corresponding quarter. The profit before tax was RM7.65 million as compared to a loss before tax of RM0.44 million in the preceding year corresponding quarter.

The increase in revenue and profit before tax in the current quarter were due substantially to the sales of Rica Residence @ Sentul completed units. The share of profit from the completed property development, the Paragon at Melbourne also contributed to the increase in revenue and profit before tax.

Trading and Logistic Segments

The Trading segment recorded a revenue of RM0.17 million as compared to RM0.13 million in the preceding year corresponding quarter. The segment recorded a lower loss before tax of RM0.09 million as compared to loss before tax of RM0.11 million in the preceding year corresponding quarter. The slight increase of revenue and lower loss before tax were contributed by the purchase of construction materials for the on-going projects in the Construction Segment.

The Logistic segment registered a revenue of RM0.271 million in the current quarter as compared to a revenue of RM0.274 million in the preceding year corresponding quarter. The segment recorded a lower loss before tax of RM0.086 million in the current quarter as compared to loss before tax of RM0.156 million in the preceding year corresponding quarter. The decrease in revenue was in correspondence to the lesser activities in the Logging and Timber Trading segment and the lower loss before tax was mainly due to the lower operational costs incurred in the same period.

B2 Variation of result against preceding quarter

	Current Year Quarter 31/12/2021 (RM'000)	Immediate Preceding Quarter 30/09/2021 (RM'000)	Changes (%)
Revenue	56,417	21,880	158
Profit/(loss) from operation	4,458	(962)	564
Profit/(loss) before interest and tax	6,123	240	2452
Profit/(loss) before tax	5,969	56	10513
Profit/(loss) after tax	4,298	(763)	663
Profit/(loss) attributable to Owners of the Company	4,447	(1,645)	370

In the current quarter ended 31 December 2021, the Group registered a higher revenue of RM56.42 million and an improved profit before tax of RM5.97 million as compared to a revenue of RM21.88 million and a profit before tax of RM0.056 million in the preceding quarter ended 30 September 2021.

The higher revenue was mainly contributed from the Construction and Property Development segments whilst the higher profit before tax was predominantly due to the sales of Rica Residence @ Sentul from the Property Development segment as well as profit sharing from the Group's associate company in the Logging and Timber Trading segment.

B3 Current year prospects

According to Bank Negara Malaysia's latest report, the Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 as compared to the third quarter which registered a negative 4.5%. The nation's growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). For 2022, the Malaysian economy is expected to remain on its recovery path and its growth will be supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and ongoing policy support.

In the construction sector, there was a slight growth with a smaller contraction of 12.2% in the fourth quarter as compared to negative 20.6% in the third quarter of 2021. The growth was supported by higher construction activity, especially in the non-residential and special trade subsectors, following the reopening of the economy. The construction sector is expected to have positive growth in 2022 with the continuation and acceleration of major infrastructure projects, such as Light Rail Transit Line 3 (LRT3), Mass Rail Transit Line 3 (MRT3), Johor-Singapore Rapid Transit System (RTS) as well as the Pan Borneo highways in Sabah and Sarawak. Moving forward, the Group's construction segment will continue to focus on our current order book of approximately RM329.70 million and actively pursue opportunities to bid for new construction jobs. The Group is currently tendering for new construction jobs in the private and government sectors amounting to RM3.7 billion.

In the property market, the government will continue implementing housing projects such as the development of Rumah Mesra Rakyat with a total allocation of RM1.5 billion. Additional measures taken by government will hopefully help to stimulate demand for properties in 2022. The Group's property development project Rica Residence @ Sentul is currently 90% sold with on-going marketing efforts to sell remaining units. The Group's second Malaysian property development project located in Puchong named Vierra Residence @ Kinrara is scheduled for launch in the second quarter of 2022 subject to market conditions. Vierra Residence @ Kinrara consisting 2 tower blocks of 1,604 units is based on the affordable housing concept of "Residensi Wilayah Keluarga Malaysia" (RUMAWIP). In Australia, the Paragon located in Melbourne was completed in 2021 and currently being handed over to its buyers. The Wilds, located in Melbourne, with a sales rate of 93% is set to be a benchmark in Environmentally Sustainable Design principles and will become the first carbon-neutral detached housing development in inner Melbourne, with all houses 100 per cent electric and incorporating a solar panel array. The construction of The Wilds is targeted early 2022 and scheduled for completion end of the year.

The Malaysian timber industry continued to perform well despite the COVID-19 pandemic with exports recording a growth of 3.1% to RM22.70bil in 2021 from RM22.02bil in the previous year. In the Group's Logging and Timber Trading segment, we have approximately 21,000 acres of working block through our subsidiaries and associate company and this will continue to contribute to the Group's earnings in the future.

The Group has diversified its business into the plantation segment and foresee that this new segment may contribute to the future earnings of the Group in the long term. The Group will continue to explore options to identify suitable businesses or strategic acquisition and will continue to seek opportunities in this segment.

The Group will persistently bid for prospective infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, as well as having excellent track record in completing railway projects on time, we are in a good position to bid for such jobs. In the Malaysian property segment, the Group is on the lookout to expand its property development footprints in the Klang Valley depending on market conditions. Although the Group's operations have been affected due to the effects brought by the COVID-19 pandemic, we will continue to explore more business opportunities and capitalise our strengths to generate sustainable revenue from its existing or new businesses.

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

B4 **Profit forecast**
Not applicable.

B5 Profit guarantee

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

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

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/12/2021 RM'000	3 months ended 30/12/2020 RM'000	6 months ended 31/12/2021 RM'000	6 months ended 30/12/2020 RM'000
Current period's provision	1,671	2,532	2,490	6,363
Under / (Over) provision for the prior years	-	-	-	-
	1,671	2,532	2,490	6,363
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	1,671	2,532	2,490	6,363

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

B7 Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities in Malaysia during current quarter under review.

Investment in quoted shares as at 31 December 2021 were as follows :

	RM'000
At cost	5,912
At market value - Shares	15,521

B8 Status of corporate proposals announced

There were no corporate proposal announced during the financial period to date, except as disclosed below :-

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.

The additional 370,806,692 new ordinary shares and 370,806,692 Warrants issued pursuant to the Rights Issue with Warrants were listed and quoted on the main market of Bursa Malaysia Securities Bhd on 25 October 2021.

B9 Status of Utilisation of Proceeds

Status of Utilisation of Proceeds as at 31 December 2021

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Timeframe For The Utilisation Of Proceeds
<u>Rights Issue of 370,806,692 Shares</u>				
Funding for existing and/ or future construction projects	10,000	-	10,000	Within 18 months
Funding for future property development projects	10,000	(4,549)	5,451	Within 24 months
Business expansion and/ or future viable investment for logging & timber trading, and plantation segments	15,000	-	15,000	Within 24 months
Working capital requirements	1,481	-	1,481	Within 6 months
Defrayment of estimated expenses	600	(545)	55	Upon completion
	<u>37,081</u>	<u>(5,094)</u>	<u>31,987</u>	

B10 Borrowings

The tenure of the Group borrowings classified as follows:-

	31 December 2021		31 December 2020	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<u>Secured</u>				
Term loan	2,586	-	-	-
Lease liabilities	2,692	380	2,788	3,626
Invoice Finance	3,359	-	1,048	-
Revolving Credit	45,000	-	41,400	-
Bills Discounting	5,788	-	-	-
Promissory Note	1,311	-	-	-
	<u>60,738</u>	<u>380</u>	<u>45,236</u>	<u>3,626</u>

B11 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 December 2021.

B12 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 31/12/2021 RM'000
Not past due	66,273
Past due:	
- less than 3 months	6,021
- 3 to 6 months	3,038
- over 6 months	294
- more than 1 year	9,815
	<u>85,441</u>

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

B13 Material litigation

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

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

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

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

1. the Respondent shall pay to the Claimant within 14 days from 23 February 2021:-

- a. the sum of RM10,000,000.00; and
 - b. the amount awarded in item 1(a) above or in the event of part payment by the due date, the outstanding balance thereof shall be subject to the addition of simple interest at 5% per annum from the date of this award to the date of payment; and
2. the Respondent shall pay and/or reimburse all the legal costs and expenses, the Arbitrator's fees and the Asian International Arbitration Centre (AIAC) booking fees to the Claimant.

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

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

On 28.10.2021, the Respondent's setting aside applications have been dismissed. No appeal has been filed by the Respondent.

We understand that the Claimant will / has engaged solicitors in Singapore to enforce the Final Award in Singapore.

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

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

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

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

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

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

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

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

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

B14 Dividend

No dividend has been declared for the second quarter ended 31 December 2021.

B15 Earnings per share

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

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/12/2021 RM'000	3 months Ended 31/12/2020 RM' 000	6 months Ended 31/12/2021 RM000	6 months Ended 31/12/2020 RM'000
Net (loss)/profit attributable to Owners of the Company	4,447	6,395	2,802	12,207
Weighted Average Number of shares at the end of the period ('000)	644,881	370,807	507,844	370,807
Adjusted number of ordinary shares in issue and issuable ('000)	1,015,688	370,807	878,651	370,807
Basic earnings per share (sen)	0.69	1.72	0.55	3.29
Diluted earnings per share (sen)	0.44	1.72	0.32	3.29

B16 Profit before taxation

	Current Year Quarter 31/12/2021 RM'000 Unaudited	Current Year To-date 31/12/2021 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(401)	(792)
Dividend income	(176)	(264)
Depreciation	2,324	5,675
Interest expense	142	316
Reversal of impairment loss in trade receivables	(8)	(13)
Unrealised (gain)/loss on foreign exchange	(121)	806
Unrealised (gain)/loss on investment fund	(1)	3

B17 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 24 February 2022.

By Order of the Board
Fajarbaru Builder Group Bhd

Tan Sri Dato' Sri Chan Kong Choy
Executive Chairman

Kuala Lumpur
24 February 2022