Sustainable Development with Digitalisation

ANNUAL REPORT 2022

FAJARBARU
BUILDER GROUP BHD
199301026907 (281645-U)

What's Inside

Rationale "Sustainable Development with Digitalisation"

With the common discussion for sustainability, Fajarbaru joins the motion of approaching technology consciously in an environmentally threatened world. This gives the Group a bigger responsibility in a digitalising world to develop for sustainability. Thus, the 6 businesses represented by icons connect the Group's diversified business units while the person representing our employees pave the way towards "Sustainable Development with Digitalisation" by leveraging on technology and aligning it with the Group's core values.

Delivering
Sustainable Development

CONSTRUCTION

PROPERTY
DEVELOPMENT

LOGGING &
TIMBER TRADING


TRADING
LOGISTICS
PLANTATION

Key Corporate Milestones

1976

Syarikat Pembinaan Fajar Baru (Rembau) Sdn. Bhd. was incorporated as a private limited company

1976

1998

2006

2008

2014

2013

- Involved in the Electrified Double Tracking Project for the Seremban-Gemas rail road (RM316 Million)
- Designed and constructed the Tampin Hospital for Ministry of Health (RM138 Million)

1998

Listed on Bursa Malaysia

2005

Involved in LCCT (Phase 1), Sepang (RM108 Million)

2006

- Involved in Batu Gajah Railway staff quarters & training school under Road Builder-Fajarbaru JV (RM75 Million)
- Rehabilitation of airfield pavements at Penang International Airport (RM27 Million)

2008

- Awarded for expansion of LCCT at KLIA Phase 2 (RM124 Million)

2014

- First venture into Australia property development (Gardenhill, Melbourne – GDV AUD77 Million); awarded "Game Changer of the Year Award in the REA Excellence Award 2017" – Australia's first dog park in a high-rise apartment
- First venture into the timber logging business by acquiring permit to extract and sell logs on 28,000 acres of concession

2015

- Fajarbaru Logistics Sdn. Bhd. was incorporated to provide logistics support to timber business
- Extension of Awan Besar and Muhibbah station for LRT Ampang Line (RM62 Million)
- Involved in the designing and building expansion of Gleneagles Hospital Kuala Lumpur 10-storey medical block (RM166 Million). Was awarded GBI Gold rating in 2020

2015

2016

- Ventured into timber logging business expansion by acquiring permit to extract and sell logs on 20,000 acres of concession
- Awarded the rehabilitation of Jerantut-Gua Musang railway track from Ministry of Transport

2017

- Launched the first maiden property development project in Malaysia, Rica Residence @ Sentul, Kuala Lumpur (GDV of RM290 Million)
- Completion of Ampang LRT Depot (RM289 Million)
- Ventured into second Australian property development (Paragon, Melbourne - GDV AUD200 Million) with Australia's first high rise indoor forest residential; awarded "Best High-Rise Residential category" at the Asia Pacific Property Awards 2018- 2019 and "Best International Development" at the iProperty Development Excellence Awards 2019

2018

Ventured into third Australian project located at Northcote (The Wilds - GDV of AUD35 Million) for development of luxury townhouses

2020

2020

Diversification of the Group into plantation with the incorporation of Fajarbaru Plantation Sdn. Bhd.

2022

2022

Launched the Group's second development called Vierra Residence @ Kinrara, Kuala Lumpur (GDV of RM482 Million)

Notice of
Annual General Meeting

1 December 2022

10.00 a.m

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

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2022 at 10.00 a.m.

AGENDA

1)	To receive the Audited Financial Statements for the year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.	**(Refer to Explanatory Notes i)**
2)	To re-elect Dato' Sri Kuan Khian Leng 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 Dato' Lim Siew Mei who retires in accordance with Clause 83 of the Company's Constitution and who being eligible, offers herself for re-election.	**Resolution 2**
4)	To approve the payment of Directors' fees amounting to RM396,000 for the period from the Twenty-Eighth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors.	**Resolution 3**
5)	To approve the payment of Directors' benefits up to an amount of RM66,000 for the period from the Twenty-Eighth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors.	**Resolution 4 (Refer to Explanatory Notes ii)**
6)	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration.	**Resolution 5**

Special Business

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

7) **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 of the Company until 23 August 2023."

Resolution 6
(Refer to Explanatory Notes iii)

8) **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.

Resolution 7
(Refer to Explanatory Notes iv)

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

Notice of Annual General Meeting (Cont'd)

8) **Proposed Renewal of Share Buy-back Authority (Cont'd)**

iii) revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is the earliest."

9) 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 2022

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 2022 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' benefits up to an amount of RM66,000 for the period from the Twenty-Eighth Annual General Meeting until the next Annual General Meeting.

The proposed Resolution 4 is to seek shareholders' approval for the payment of Directors' benefits of RM66,000.

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

EXPLANATORY NOTES ON SPECIAL BUSINESS

iii. Continuation in office as Independent Director

The proposed Resolution 6 is to seek shareholders' approval to retain Dato' Ismail Bin Haji Omar as an Independent Director until 23 August 2023. By the said date, Dato' Ismail would have served 12 years in the capacity as an Independent Non-Executive Director.

The Board will review his position thereafter.

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 does 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 is 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 their exercise of independent judgement and ability to act in the best interest of the Company.

iv. Proposed Renewal of Share Buy-back Authority

The proposed Resolution 7 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 2022, which is released together with the Company's Annual Report 2022.

Statement Accompanying
Notice of Twenty-Eighth Annual General Meeting

DETAILS OF MEETING

Twenty-Eighth Annual General Meeting of the Company will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2022 at 10.00 a.m.

RE-ELECTION OF DIRECTORS

Directors who stand for re-election in accordance with Clause 83 of the Company's Constitution are:

i) Dato' Sri Kuan Khian Leng

ii) Dato' Lim Siew Mei

Further details of the Directors standing for re-election are set out in the Directors' Profile appearing on page 32 to 36 of this Annual Report.

ATTENDANCE OF BOARD MEETING

Details of the attendance of directors at board meetings are stated on page 37 of this Annual Report.

VIERRA
RESIDENCE

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Sri Chan Kong Choy............(Group Executive Chairman, 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' Norasni Binti Ayob............(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 - Dato' Ismail Bin Haji Omar
- Dato' Norasni Binti Ayob

Nominating Committee
Chairman - Dato' Norasni Binti Ayob
Members - Dato' Lim Siew Mei
- Ooi Leng Chooi

Remuneration Committee
Chairman - Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
Members - Dato' Ismail Bin Haji Omar
- Ooi Leng Chooi

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

Solicitors
Messrs. B B Teh
Messrs. Harold & Lam Partnership
Messrs. Arthur Wang, Lian & Associates

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

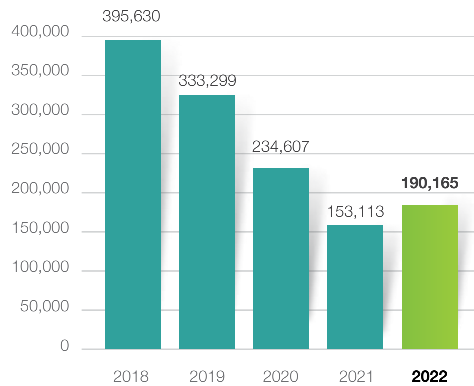
Auditors
Crowe Malaysia PLT,
Chartered Accountants
Kuala Lumpur Office,
Level 16 Tower C, Megan Avenue II,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : +603 - 2788 9999
Fax : +603 - 2166 1000

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

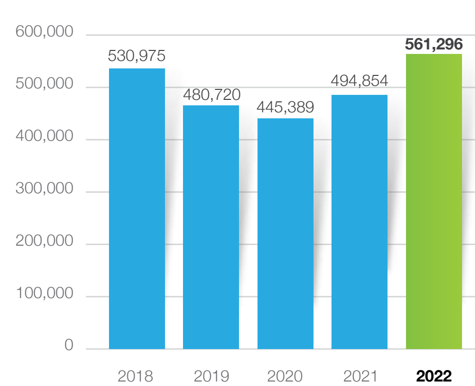
Stock Exchange Listing
Main Market of Bursa Malaysia Securities Bhd.
Stock Name : FAJAR
Stock Code : 7047

Performance Analysis

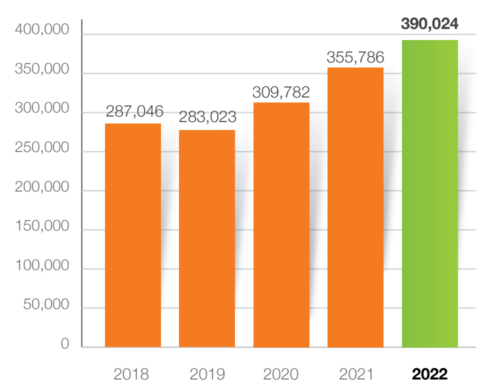
		2018	2019	2020	2021	2022
Revenue	RM'000	395,630	333,299	234,607	153,113	**190,165**
Profit Before Tax	RM'000	58,636	41,686	38,257	36,954	**15,291**
Profit After Tax	RM'000	40,953	26,510	36,161	28,096	**10,403**
Issued Share Capital	RM'000	194,275	194,275	194,303	194,303	**221,534**
Shareholders' Funds	RM'000	287,046	283,023	309,782	355,786	**390,024**
Total Assets	RM'000	530,975	480,720	445,389	494,854	**561,296**
Earnings per Share	Sen	4.72	3.75	8.75	6.46	**1.44**
Net Assets per Share	RM	0.77	0.76	0.83	0.96	**0.53**



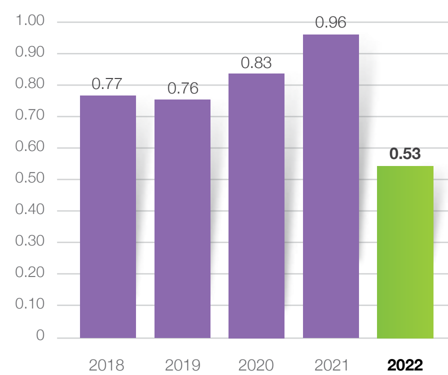
Revenue RM'000



Total Assets RM'000



Shareholders' Funds RM'000



Net Assets per share RM

Our Vision

Our Vision is 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.

TECHNOLOGY

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

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.

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.

EMPLOYEES

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

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.

QUALITY

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

SAFETY

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

INNOVATION

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

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.

Chairman's Statement

Dear Valued 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 2022.

TAN SRI DATO' SRI CHAN KONG CHOY
Group Executive Chairman

Operating Environment

The past 12 months have been one of the most challenging in recent memory. The pandemic has continued to create disruptions for business and the economy for a second consecutive year.

In 2021, the Malaysian economy grew by 3.1% as a whole, recovering from the drop of 5.6% in the previous year. In the first quarter of 2022, the Malaysian economy grew by 5.0% as compared to 3.6% in the fourth quarter of 2021 whilst in the second quarter of 2022, the economy recorded an accelerated growth of 8.9%. Growth in the first quarter was supported mainly by higher domestic demand as economic activities continued to normalise with the easing of containment measures. In the second quarter, the further improvement was reflected in the normalising of economic activities.

In Bank Negara's latest report for second quarter of 2022, the Malaysian economy is projected to expand further for the remainder of the year and business outlook is expected to recover gradually. The domestic economy is expected to improve further this year, with growth projected at 5.3% to 6.3% underpinned by stronger domestic demand, continued expansion in external demand and further improvement in the labour market. Growth would also benefit from the easing of restrictions, reopening of international borders and implementation of investment projects.

Message From
The Chairman

Chairman's Statement (Cont'd)

Review of Financial Performance

Against the backdrop of this highly challenging environment, I am heartened to report that our Group posted a profit before tax ("PBT") of RM15.3 million in FYE 2022. The Group recorded total revenue of RM190.2 million in FYE 2022 as compared to RM153.1 million in FYE 2021 with an increase of RM37.1 million.

The Group has remained resilient as proven by its ability to report a commendable performance for FYE 2022. This was complemented by astute management and cost containment initiatives. A more in-depth review of our financial and operational performance will be reported under "Management Discussion and Analysis" in this Annual Report.

Commitment to Corporate Governance and Sustainability

The Board is committed and places great importance in 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 www.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. For more details of our sustainability efforts, please refer to our Sustainability Statement from page 41 to 70 of this Annual Report.

Corporate and Business Developments

Throughout the year, the Group undertook a couple of corporate and business developments.

- On 15 October 2021, the Group announced the total acceptances and excess applications for the Rights Issue with Warrants were 1,076,495,017 Rights Shares with Warrants, which represents an over-subscription of 190.31% over the total number of 370,806,692 Rights Shares with Warrants available for subscription under the corporate exercise of Rights Issue with Warrants. On 25 October 2021, 370,806,692 Rights 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 Berhad, marking the completion of the Rights Issue with Warrants.

Corporate and Business Developments (Cont'd)

- On 25 February 2022, the Group incorporated an associate company in Australia named Beulah FB Fitzroy Pty Ltd for the property development segment with the intention to develop apartments located in Fitzroy, Melbourne. This development is projected to be launched in 2025 with an estimated gross development value of approximately RM171.44 million (AUD56.085 million)*.

- On 29 March 2022, the Group announced that Fajarbaru Plantation Sdn. Bhd., the wholly owned subsidiary of the Company, entered into a Joint Venture Agreement with Akokaya Sdn. Bhd. to incorporate Fajarbaru Agriculture Sdn. Bhd. This joint venture is to formalise a collaboration and to draw upon the skills, expertise, experience and capabilities of each other with regards to carry out the reforestation and for fruit crops cultivation and plantation project.

- On 29 April 2022, the Group incorporated a wholly owned subsidiary company named FB Cemara Sdn. Bhd. for exploration of property development project in Putrajaya.

Property development in Kuala Krai, Kelantan

- On 20 May 2022, the Group incorporated a 55% owned subsidiary company named Fajarbaru Real Development Sdn. Bhd. for property development of an integrated township located in Kuala Krai, Kelantan Darul Naim.

- On 4 July 2022, the Group incorporated a wholly owned subsidiary company named FB Wellness Sdn. Bhd. to venture into the development of a healthcare facility project located in Klang Valley.

- On 14 July 2022, the Group announced that Fajarbaru Real Development Sdn. Bhd., entered into a Sale and Purchase Agreement for the acquisition of 243 vacant plots of freehold land in Mukim of Kuala Nal, District of Kuala Krai, Kelantan Darul Naim for a total purchase consideration of RM16.5 million. The acquisition is for the purpose of property development of an integrated township with a land area of approximately 23.37 acres (94,595sqm). The freehold development named Desa Green @ Kuala Krai has an estimated gross development value of approximately RM108.75 million and is targeted to launch in the fourth quarter of 2022.

- On 18 August 2022, the Group announced that Shaw Plaza Sdn. Bhd. will pay a sum of RM8.5 million to Fajarbaru Builder Sdn. Bhd., the wholly owned subsidiary of the Company, as full and final settlement of the dispute in the matter of an Arbitration.

- On 4 October 2022, the Group incorporated a wholly owned subsidiary company named FB Event Sdn. Bhd. for event management services.

Dividends

The Board of Directors has declared an interim dividend of 1.00 sen per share for the financial year ended 30 June 2022 wherein RM7.42 million was paid to the shareholders on 28 December 2021.

Chairman's Statement (Cont'd)

Rail works machinery

Moving Forward

Even as we project another year of growth, we remain prudent and cautious in our operations. Risks and opportunities are carefully weighed, ensuring they align with our strategy and vision. The Group is endeavouring to improve the business and financial performance to create and deliver value to its shareholders. We will continue our efforts to enhance the performance of the Group's core businesses and study the possibility of new business ventures that will generate sustainable income for the company. Notwithstanding the above, the Group will continue to implement its business strategies cautiously as well as to closely monitor and continue to adapt to the challenging and uncertain economic environment. We need to steer the Group carefully over the next few years to ensure future business performance that is sustainable and financial performance that is positive.

Backed by our decades of industry experience, we are well-positioned to ride on the economic recovery and regain our growth trajectory moving forward. 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. Although the Group's operations have been affected due to the effects brought by COVID-19, we will continue to explore more business opportunities and capitalise our strengths to generate sustainable revenue from our existing and new businesses. I am confident we can deliver continued positive performance in the coming year.

Appreciation

I would like to convey our sincerest appreciation and gratitude to all our shareholders, customers and business associates for the undivided support, trust and confidence in the Group throughout the financial year. I want to extend my deepest gratitude to our employees for their commitment, solidarity and support of the Group. I sincerely believe that our people are our most valuable asset, and they play a vital role in ensuring the Group's success.

On behalf of the Board, I would like to give a warm welcome to Dato' Norasni Binti Ayob who was appointed to the Board on 16 December 2021 as Independent Non-Executive Director. We look forward to her insightful guidance as we embark on the next phase of growth and progress for the Group.

Last but not least, I would also like to thank my fellow Board members for their dedication, invaluable advice and guidance throughout the year in ensuring the successful execution of the Group's strategies in overcoming the challenges in this tough operating environment.

Thank you.

Tan Sri Dato' Sri Chan Kong Choy

Group Executive Chairman

**(Exchange rate of 3.0568 as of 1 September, 2022)*

Corporate Structure

FAJARBARU BUILDER GROUP BHD
199301026907 (281645-U)

- **100% FAJARBARU BUILDER SDN BHD**
  197601001406 (27198-T)
  Building & Civil Construction
- **100% FAJARBARU LAND (M) SDN BHD**
  200901008282 (851265-T)
  Investment Holding
  - **100% FAJARBARU LAND SDN BHD**
    199501015598 (344800-A)
    Property Development
  - **100% WAJATEX SDN BHD**
    199601006704 (379050-M)
    Property Development
  - **100% RENOWAJA SDN BHD**
    200801019419 (820729-W)
    Property Development
  - **100% FB CEMARA SDN BHD**
    202201015626 (1461323-M)
    Property Development
  - **55% FAJARBARU REAL DEVELOPMENT SDN BHD**
    202201017779 (1463476-H)
    Property Development
  - **51% FAJARBARU-BEULAH (MELBOURNE) PTY LTD**
    (169 430 246)
    Property Development
  - **49% BEULAH NORTHCOTE LAND PTY LTD**
    (622 225 192)
    Property Development
  - **45% BEULAH FB FITZROY PTY LTD**
    (657 634 163)
    Property Development
  - **44.44% BFB PROJECT PTY LTD**
    (615 616 843)
    Property Development
    - **50% 320 QUEEN STREET PROJECT PTY LTD**
      (615 814 009)
      Property Development
- **100% POTENTIAL REGION SDN BHD**
  199101018787 (229098-H)
  Property Development
- **100% ASIAHUB TRADING SDN BHD**
  201601025412 (1196351-D)
  Trading of Construction Materials
- **100% FAJARBARU TRADING SDN BHD**
  199301028227 (282965-H)
  Trading of Construction Materials
- **100% FB WELLNESS SDN BHD**
  202201023974 (1469671-W)
  Healthcare Services
- **100% FB EVENT SDN BHD**
  202201036774 (1482471-K)
  Event Management
- **100% FAJARBARU LOGISTICS SDN BHD**
  201501023662 (1148991-K)
  Logistics Services
- **20% KERJAYA JUTAMAS SDN BHD**
  201601023301 (1194240-W)
  Logging & Timber Trading
- **51% BILLION VARIETY SDN BHD**
  200701000149 (758147-T)
  Logging & Timber Trading
  - **100% SMOOTH ACCOMPLISHMENT SDN BHD**
    201301036436 (1066265-P)
    Logging & Timber Trading
- **100% FAJARBARU TIMBER SDN BHD**
  202101012511 (1412810-W)
  Investment Holding
  - **70% GRAND ACHIEVEMENT SDN BHD**
    202101020243 (1420543-A)
    Logging & Timber Trading
- **100% FAJARBARU PLANTATION SDN BHD**
  202001025054 (1381374-M)
  Plantation
  - **91% FAJARBARU AGRICULTURE SDN BHD**
    202201011286 (1456983-X)
    Plantation

Management Discussion and Analysis

Fajarbaru Builder Group Bhd is an investment holding company with its subsidiaries mainly involved in the construction, property development, logging and timber trading and plantation businesses primarily in Malaysia and Australia. Fajarbaru Builder Group Bhd is a company listed on Bursa Malaysia Securities Berhad since 1998.

The Management Discussion and Analysis aims to provide stakeholders with an overview of our business operations and financial performance of Fajarbaru and its subsidiaries for the financial year ended 30 June 2022. The information in this management discussion and analysis should be read in conjunction with the Group's consolidated financial statements and the notes related to that.

Industry Review And Outlook

The past financial year created challenges that have tested not only the Group but the wider economy as well. Movement restrictions and other measures to combat the COVID-19 virus continued in one form or another for almost the entire financial year, despite the successful rollout of vaccines and ongoing efforts by the Government to help cushion the financial impacts for businesses and the communities.

Looking back at second half of 2021, the government had to re-introduce strict nationwide containment measures under the first phase of the National Recovery Plan (NRP) in June 2021. This affected the recovery momentum. Nonetheless, the swift progress of the National COVID-19 Immunisation Programme enabled economic sectors to gradually reopen in the third quarter of the year. Strong exports and continued policy aid for households and businesses also lent support to domestic growth. According to a report by Bank Negara, the Malaysian economy saw a moderate recovery with GDP growing by 3.1% in 2021 versus a contraction of 5.6% a year earlier. The economy grew by 5.0% in the first quarter of 2022 whilst in the second quarter, the economy recorded an accelerated growth of 8.9%.

Now, we are seeing the longer-term impacts of the prolonged disruption emerge, particularly in the form of global and local supply chain pressures, labour shortages and higher operational costs. In addition, geo-political uncertainties are aggravating inflationary pressures.

Health and safety of our employees remained at the top of our priorities whilst minimising disruptions to work despite moving into the endemic stage of COVID-19. We had to ensure all our business activities continue to function accordingly and the Group carried on to implement flexible working arrangement such as work from home, conducting regular COVID-19 self-test and so on to protect our employees while maintaining smooth operations of our businesses and meeting clients' needs and expectations.

Overview Of Group's Business And Operations

In 2021/2022, the Group via its three core business segments, namely Construction, Property Development and Logging and Timber Trading delivered satisfactory financial performance despite the ongoing uncertainties resulted from COVID-19.

Group Financial Review

Financial Performance

For the financial year ended 30 June 2022, the Group reported a revenue of RM190.2 million in the current financial year as compared to RM153.1 million in the preceding financial year, an increase in revenue of 24%. This was mainly attributable to the contribution from the Construction Segment and the Property Development Segment. The Construction Segment which accounted for 62% of the Group's total revenue, continued to be the main contributor of the Group's operations followed by the Property Development Segment at 29%, Logging and Timber Trading Segment at 8% and the rest of the business segments make up the balance of 1%.

Construction of Duta Park Residences

The Group's profit before tax ("PBT"), in the current financial year was RM15.3 million as compared to RM37.0 million in the preceding financial year. The decrease in the PBT was across the business segments and the decrease will be explained further in the respective segments.

The Group's balance sheet remains strong, with minimal borrowings and the cash reserves at a healthy level. As at 30 June 2022, the total assets of the Group was at RM561.3 million (FYE2021: RM494.9 million) while its gearing ratio stood at a manageable 0.19 times. Maintaining a healthy financial position, with strict capital and cash flow management, continues to be our key priority.

Drone technology utilised at construction site

Construction Segment

Construction Segment registered a revenue growth of 39%, an increase of RM33.0 million from RM85.0 million in the preceding financial year to RM118.0 million for the current financial year. The segment recorded a loss before tax of RM2.0 million in the current financial year as compared to a PBT of RM5.4 million in the preceding financial year, a decrease of RM7.4 million.

The increase in revenue was contributed from the higher work progress of the Group's current construction projects due to the relaxation of COVID-19 SOP (Standard Operating Procedures) in the current financial year. The loss before tax was due to some of the Group's completed projects pending finalisation of accounts from clients' side whereby the cost was already incurred but revenue and profit were not recognised yet.

Management Discussion and Analysis (Cont'd)

Property Development Segment

Property Development Segment recorded an increase of 41% in revenue, from RM38.7 million in the preceding financial year to RM54.4 million in the current financial year. The PBT however has decreased from RM15.6 million in the preceding financial year to RM9.6 million in the current financial year.

The increase in revenue in the current financial year was due substantially to the sales of Rica Residence @ Sentul's remaining units. The lower PBT was mainly due to higher cost in sales and marketing incurred to sell the remaining units of Rica Residence @ Sentul. Another contributing factor of the lower PBT was due to the sales and marketing activities costs incurred for the Group's new development, Vierra Residence located in Kinrara, Kuala Lumpur.

Logging and Timber Trading Segment

In the Logging and Timber Trading Segment, the revenue decreased by 33% from the preceding financial year compared to the current financial year under review, a reduction from RM22.7 million to RM15.1 million. The PBT also reduced from RM10.6 million in the preceding financial year as compared to RM5.0 million in the current financial year.

The decrease in revenue and PBT was mainly due to low production as a result of the nationwide FMCO (Full Movement Control Order) which affected operations in the first quarter of the financial year in review. From the months of November 2021 to February 2022, sales was low due to the segment was selling out the remaining stock while waiting for new working block permit to be approved. In the fourth quarter, the permit was approved for a new working block and this allowed the production and sales activities to resume.

Trading and Logistics Segments

The Trading Segment recorded revenue growth of 15%, an increase of RM0.064 million from RM0.418 million in the preceding financial year to RM0.482 million for the current financial year. The segment recorded a profit before tax of RM0.037 million in the current year under review as compared to the preceding year loss before tax of RM0.547 million. The increase in revenue was due to higher purchase of construction materials for the on-going projects in the Construction Segment whilst the loss was mainly due to lower profit margin obtained from the trade of construction material.

In the Logistics Segment, revenue decreased by 18% in the current year under review, from RM1.17 million in the preceding financial year to RM0.957 million in the current financial year. The segment recorded a lower loss before tax of RM0.633 million for the current year as compared to a loss before tax of RM0.874 million in the preceding year. The decrease in revenue was in correspondence with the decrease in the Logging and Timber Trading Segment as the Logistics Segment provides services to this segment. The lower loss was due to the lower operating cost incurred in the current financial year.

Review of Operations

Construction

The Group's Construction Segment will continue to develop through 2022 to 2023, focusing on project execution for our current order book of approximately RM508.8 million to deliver a sustainable level of revenue and profits.

Issues that affect the industry are the rising costs of materials, introduction of new as well as additional regulatory requirements and shortages of foreign labour add pressure to the business. The rising of materials costs such as cement and steel bars have affected the Group, however, we will closely monitor prices and take necessary actions to minimise impact of cost in the Group's operations. On the regulatory front, the employer is required to comply with Act 446 (Workers' Minimum Standards of Housing and Amenities Act), which calls on the employer to provide enhanced accommodation requirements and amenities for workers. The critical labour shortage had also impacted the construction sector due to the freezing of permits for new foreign workers.

The Group is cautious and remain vigilant on the outlook of the construction industry but nevertheless 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

Looking ahead, the property development market will continue to remain challenging in the short to medium-term due to rising cost of building materials, commodities and shortage of workers caused by the prolonged COVID-19 pandemic and endemic stages. The Group will continue to be prudent in its development launches to ensure that the Group's business activities remain resilient and able to adapt to the fast changing environment.

The government will continue implementing housing projects to ensure the provision of adequate and quality affordable housing in the country with the aim to build 500,000 homes nationwide during the 12th Malaysia Plan for families and individuals in the B40 and M40 group category. The Group will endeavour to support the goverment's initiative to develop homes for this group category.

Completed Projects – Klang Valley

Rica Residence @ Sentul

Our maiden property development project Rica Residence @ Sentul was 100% sold as of August 2022. The project was completed at the end of 2020 and obtained its Certificate of Completion and Compliance (CCC) in February 2021. Located in Jalan Kovil Hilir, the 39-storey serviced apartment project with a gross development value of RM290 million has 473 units with built-ups ranging from 650 sq ft to 1,200 sq ft.

Rica Residence @ Sentul

Management Discussion and Analysis (Cont'd)

Completed Projects – Melbourne, Australia

Paragon

Paragon, the Group's second project in Australia is 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. The fully sold development achieved a 5 Star Green Star rating and have won awards such as the International Property Awards and iProperty Development Excellence Awards.

Current Projects – Klang Valley

Vierra Residence @ Kinrara

The Group's second Malaysian property development project Vierra Residence @ Kinrara was launched in the second quarter of 2022 with a gross development value of RM 482.478 million. Vierra Residence @ Kinrara is a 2 tower blocks development consisting a total of 1,604 units and is based on the affordable housing concept of "Residensi Wilayah Keluarga Malaysia" (RUMAWIP). The concept is in-line with the government's 12th Malaysia Plan to provide more affordable housing units for the younger generation and for B40 and M40 category group. Vierra Residence @ Kinrara boasts more than 3 acres of landscaped areas and facilities with a flora diversity located on the ground floor and myriad of facilities located at Level 6 such as a 230m running track, indoor and outdoor gymnasium and a 50m infinity pool. Each unit is 900 sq ft consisting of 3 bedrooms and 2 bathrooms. The development was awarded the GreenRE Silver Certification (Provisional) under the Residential Building and Landed Home category with green features incorporated into the design such as naturally ventilated common area, solar panel to generate electricity from the renewable solar energy, rainwater harvesting system among others. Vierra Residence is awarded the Best Value High-Rise Development Category of PropertyGuru Asia Awards in partnership with iProperty.

Current Projects – Melbourne, Australia

The Wilds

The Wilds, located in Northcote, Melbourne, an estimated gross development value of approximately RM126.34 million (AUD41.28 million)* 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.

Paragon, Melbourne

Vierra Residence @ Kinrara

The Wilds, Melbourne

Desa Green @ Kuala Krai

Upcoming Projects – Malaysia

Desa Green @ Kuala Krai

Desa Green, located in Kuala Krai, Kelantan is an integrated township with a land area of approximately 23.37 acres with an estimated gross development value of approximately RM108.75 million. The first phase of this freehold development consists of 143 units of single storey terrace and 84 units of single storey semi-detached homes and is targeted to launch in the fourth quarter of 2022 whilst the second phase consisting of 219 units of single storey terrace homes is targeted for launch in 2023.

Upcoming Projects – Australia

Fitzroy

The Group has acquired a piece of land in Fitzroy, Melbourne and the development is planned to have 48 apartment units with a build-up of approximately 678 sq ft to 1,614 sq ft (63 sqm – 150 sqm). With an estimated gross development value of approximately RM171.44 million (AUD56.085 million)*, the development is projected to be launched as soon as the relevant permits are in place.

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 block is approved. The Group through its subsidiaries and associate company has approximately 15,000 acres left of working block in Pahang yet to be logged and this will continue to contribute to the Group's earnings in the future.

After carrying out the logging activities, the abovementioned concession areas are surrendered back for establishment of forest plantation.

Demand for timber has surged over the last one year and along with an increase in timber prices, will benefit the logging and timber trading segment in the next financial year. However, external factors such as implementation of the Minimum Wages Order 2022 to increase the minimum wages from RM1,200 to RM1,500, general inflation as well as fluctuations in diesel prices may prove to be a challenge in the near future.

Plantation

The Group had expanded 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.

The Group commenced planting activities of about 1,000 durian trees of Musang King (D197) and Black Thorn (D200) species within its agricultural land located in Mukim Si Rusa, Port Dickson and the planting initiatives were completed in 2020. The durian plantation may contribute to the future earnings of the Group in the long term as the gestation period from planting to durian harvesting typically span over five to seven years. Other fruit crops such as banana, pineapple and dragon fruit were also planted and harvested in the second half of 2022. The Group anticipates to launch an ecofarm with the construction of a restaurant currently in progress and is targeted to be operational and opened to

Management Discussion and Analysis (Cont'd)

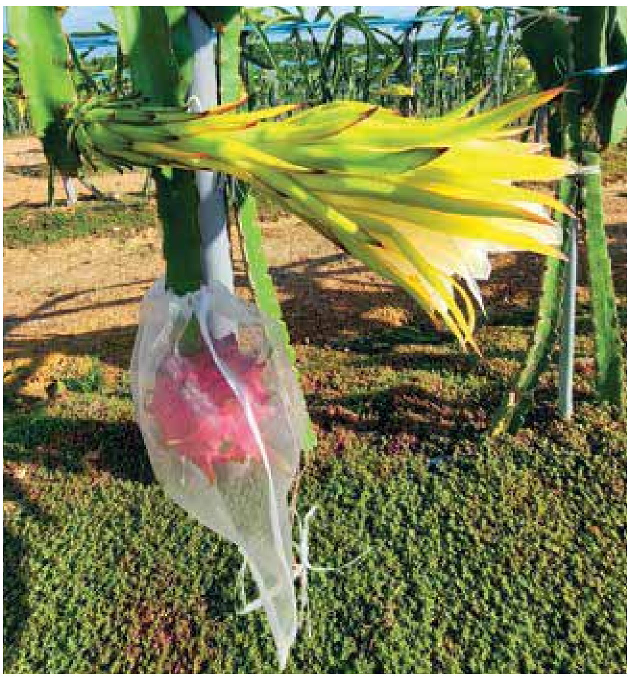
Plantation (Cont'd)

the public in 2023. The second phase of the ecofarm will consist of a petting zoo and durian farm with varieties such as Blackthorn (D200), Musang King (D197) and D101. The Group's other plantation located in Jerantut, Pahang is used for reforestation, cultivation of fruit crops and plantation such as eucalyptus trees which are good at sequestering carbon as the wood is very dense and grows fast.

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 as and when new businesses which are likely to materialise have been identified.

Looking Ahead

Looking ahead, the Group will continue its focus on Construction, Property Development, Logging and Timber Trading and Plantation segments to ensure sustained revenue. We are cautiously optimistic regarding the country's economic recovery and we are assured that our various divisions remain well-positioned to capture new opportunities for our core businesses.



Dragon fruit plantation in Port Dickson

Construction will continue to remain as 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. Some of the tender projects that the Group is participating in are the Mass Rapid Transit Line 3 (MRT 3) project, Rapid Transit System Link (RTS Link) project between Johor Bahru and Singapore and the Perlis Inland Port (PIP). There are still issues faced by the industry such as shortage of labour, increase in price of construction materials and lower margins. Despite this, the Group's Construction division will continue to manage its cost, stay efficient and to remain lean.

The construction industry, by its very nature, is a big user of natural resources and there is increasing pressure on construction firms to reduce their environmental impact. The Group realises the impact its operations have on the environment and has taken steps to adopt sustainable practices in its operations such as BIM (Building Information Modelling), SCP (Self-Climbing Platform) and drone technology. These advancement in the industry facilitates a more sustainable construction on-site planning and management. The Group will also explore advances in technology that offer new possibilities for adoption of sustainable construction methods.

The Group remains focused on the planned developments of its property projects in Malaysia as part of the long-term growth objective for its property development division. Vierra Residence located at Kinrara was launched with encouraging sales in second quarter 2022 and will continue to generate sales for the remainder of 2022. The Group has recently acquired plots of freehold land in Kuala Krai, Kelantan which will be utilised for property development. In the near future, the Group anticipates to develop affordable housing development in Putrajaya in-line with the government's 12th Malaysia Plan to provide more affordable housing units. The development of a healthcare facility located in Klang Valley is also in the pipeline.

The Group envisions to further expand its foothold in the Australian market by launching new property developments via joint-ventures and acquisitions. Australian property development market has a long-term growth potential and

Looking Ahead (Cont'd)

Pineapple plantation in Port Dickson

will provide a healthy income and the Group will continue to look for more opportunities in the Australian real estate market.

The Group expects revenue generated in the future from the growth of its durian plantation to be sustainable especially with strong demand and support from overseas customers. In order to expand the Group's durian planting initiatives under the Plantation Segment, the Group intends to acquire 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. Additionally, the Group may look into adopting smart agricultural technology such as the Internet of Things ("IoT") in the irrigation and fertilisation systems, and the use of sensors to monitor the fruit collection and QR codes for traceability in the future as the adaptation of modern agricultural technology along this value chain can increase the productivity and quality of local durian fruit production for the global market.

Since the onset of the pandemic, we have taken efforts to embark on a digital transformation to proactively address our BCP (Business Continuity Plan) in order to best manage our businesses, as well as to seek out worthwhile growth opportunities amidst a new normal. We recognise the impact and importance of the digital world as growth initiative for the Group and to ensure our employees are equipped with the right tools for a digital ecosystem. Internally, we are starting a digital transformation roadmap as part of our commitment to sustainability and the journey will take between three to five years. We have identified the challenges and gaps in the current Group's information technology business environment through engagement sessions with the various business divisions. The digital solutions will enable the Group to drive process efficiencies towards improved cost savings and better business performance. By accelerating our digital initiatives, we envision Fajarbaru to be a more dynamic and resilient company.

The Group has taken steps on sustainability initiatives for all business units and ingraining a sustainability agenda in the way we do business. This is vital as Environment, Social and Governance ("ESG") are increasingly becoming an important part of investment and risk management decision process.

Management Discussion and Analysis (Cont'd)

Looking Ahead (Cont'd)

The Group is also committed to take appropriate measures in enhancing our sustainability initiatives by incorporating green initiatives in the design of all future property development projects. The Group was selected into FTSE4Good Bursa Malaysia ("F4GBM") in second quarter of 2022 and the Sustainability Committee ("SC" or "Committee") will look into future directions on how we can contribute toward a more sustainable future. Our SC plays an important role in ensuring focus in the Group's sustainability strategy and priorities are aligned with the Group's core values.

The industry outlook remains challenging but 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

**(Exchange rate of 3.0568 as of 1 September, 2022)*

THE WILDS

MERRI CREEK

Board of Directors

TAN SRI DATO' SRI CHAN KONG CHOY

Group Executive Chairman, Executive Director

Tan Sri Dato' Sri Chan, aged 67, 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 KUAN PENG CHING @ KUAN PENG SOON

Deputy Chairman, Non-Independent Non-Executive Director

Tan Sri' Dato' Sri Kuan, aged 77, 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 the Chairman of the Remuneration Committee.

DATO' SRI KUAN KHIAN LENG

Group Chief Executive Officer, Executive Director

Dato' Sri Kuan Khian Leng, aged 46, 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 Vice President of Master Builders Association Malaysia (MBAM). He is also an Independent Non-Executive Director of 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.

DATUK SERI LAU KUAN KAM

Group Executive Director

Datuk Seri Lau Kuan Kam, aged 59, 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 45, 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' NORASNI BINTI AYOB

Independent Non-Executive Director

Dato' Norasni Binti Ayob, aged 60, female, a Malaysian, was appointed to the Board on 16 December 2021. She holds a Master in Business Administration from Nottingham Trent University. Dato' Norasni was a senior banker with over 3 decades of experience in two leading banks, infusing high performance, innovation and risk management. She served Public Bank Berhad for more than 29 years, where she held various management position before leaving to join Bank Islam Malaysia Berhad in 2011 as the Chief Operating Officer (COO) for 6 years. Dato' Norasni's specific areas of expertise includes financial management, banking operations, business process management and transformation planning.

Dato' Norasni currently serves on the Board of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).

Dato' Norasni 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.

Dato' Norasni is the Chairman of the Nominating Committee and a member of the Audit Committee.

DATO' ISMAIL BIN HAJI OMAR

Independent Non-Executive Director

Dato' Ismail Bin Haji Omar, aged 83, 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 2 years. He was made the Director of Agriculture Division in the Economics Planning Unit in the Prime Minister's Department for 2½ 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 8½ years till 1993 and also sat on the Board of Rubber Research Institute for 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 and Remuneration Committee.

DATO' LIM SIEW MEI

Non-Independent Non-Executive Director

Dato' Lim Siew Mei, aged 40, 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 13 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.

Dato' Lim is a member of the Nominating Committee.

Board of Directors (Cont'd)

OOI LENG CHOOI

Independent Non-Executive Director

Mr. Ooi Leng Chooi CGMA, CA(M), CFP, aged 56, 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 was re-designated as an Independent Non-Executive Director on 28 August 2018 and holds the same position as at to-date. He has more than 22 years of working experience in handling corporate finance and general management with 2 listed companies prior to 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 and Remuneration Committee.

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 six (6) Board Meetings held during the financial year ended 30 June 2022. 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	Group Executive Chairman, Executive Director	6/6
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	Deputy Chairman, Non-Independent Non-Executive Director	6/6
Dato' Sri Kuan Khian Leng	Group Chief Executive Officer, Executive Director	6/6
Datuk Seri Lau Kuan Kam	Group Executive Director	6/6
Ir. Kong Kam Loong	Group Executive Director	6/6
Dato' Ismail Bin Haji Omar	Independent Non-Executive Director	6/6
Dato' Norasni Binti Ayob[1]	Independent Non-Executive Director	2/2
Dato' Lim Siew Mei	Non-Independent Non-Executive Director	6/6
Ooi Leng Chooi	Independent Non-Executive Director	6/6

[1] *Appointed on 16 December 2021*

DATE, TIME AND VENUE OF BOARD MEETINGS

All Board Meetings for the financial year ended 30 June 2022 were held in hybrid manner with the physical venue at FBG Quality Room, 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.

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

Date	Time
28 September, 2021 (Tuesday)	11.30 a.m.
20 October, 2021 (Wednesday)	11.00 a.m.
25 November, 2021 (Thursday)	10.30 a.m.
15 December, 2021 (Wednesday)	10.30 a.m.
24 February, 2022 (Thursday)	11.00 a.m.
26 May, 2022 (Thursday)	11.00 a.m.

Senior Management Team

Toh Teong Hock
Age 61, Male, Malaysian
(Project Management Advisor)

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 35 years of experience in civil engineering construction such as dam, bridge, sewage treatment plant, road, railway, housing and infrastructural projects. He is primarily responsible for advising the construction division on matters related to Project Management.

Wong Wee Keong
Age 56, Male, Malaysian
(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 36 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
Age 46, Male, Malaysian
(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 18 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
Age 35, Male, Malaysian
(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 11 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, Group Executive 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 Rights Issue Proceeds**

Utilisation	Amount (RM'000)
1. Property Development Projects	7,020
2. Investment for Plantation Segments	500
3. Expenses in relation to the Rights Issue	545
Total Utilisations:	**8,065**

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

	The Group		The Company	
	2022 (RM'000)	2021 (RM'000)	2022 (RM'000)	2021 (RM'000)
1. Audit Fee	264	269	79	84
2. Non-Audit Fee	5	5	5	5
Total fee payable to External Auditors	269	274	84	89

3. **Profit Guarantee**

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

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

4. **Recurrent related party transactions**

There were no recurrent related party transactions during the financial year ended 30 June 2022.

5. **Material Contracts involving Directors and Substantial Shareholders**

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business: -

- Fajarbaru Plantation Sdn. Bhd., the wholly owned subsidiary of the Company has on 29 March 2022 entered into a Joint Venture Agreement with Akokaya Sdn. Bhd. ("AKSB") for the purpose of regulating the conditions for and of a joint venture company, Fajarbaru Agriculture Sdn. Bhd. with regards to carry out the "Penghutanan Semula" and for fruit crops cultivation / plantation project.

  Dato' Lim Siew Mei, who is a Non-Independent Non-Executive Director of the Company and also a Director and Shareholder of AKSB.

6. **Revaluation Policy**

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

Sustainability Statement

Our financial year 2022 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.

The COVID-19 pandemic has brought into focus the impact our businesses and lifestyles have on the Environmental, Social and Governance ("ESG") principles, however, it presents an opportunity to build a better and more sustainable future in the Group's business decisions. ESG has become an increasingly important part of businesses. At Fajarbaru, our core values of Integrity, Quality, Safety, Innovation and Respect are our focus in ESG to ensure the commitment of incorporating best practices in our operations. We are committed to enhance our sustainability journey guided by Bursa Malaysia's Sustainability Reporting Guide and supporting the Sustainable Development Goals ("SDGs") will continuously improve our sustainability practices for our long-term business success.

Key Highlights

- Setting Sustainability related KPIs to be incorporated into the annual appraisal performance of management and employees
- Embarking on a digital transformation journey to drive process efficiencies, cost savings and better business performance
- Maintaining ZERO cases of bribery and corruption across Fajarbaru Group of Companies
- Targeting ZERO death incidences of workers across Fajarbaru Group of Companies
- Endeavoring to incorporate green features in majority of the construction and property development projects to align with SDGs

SCOPE

Fajarbaru formally discloses the sustainability management and initiatives on an annual basis. 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 2021 to 30 June 2022.

The information presented in the Statement primarily covers the Group's construction and property development activities in Malaysia, unless otherwise stated. Data for financial year 2022 disclosed in this statement has been verified by the Group's Internal Audit Department. 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

At Fajarbaru, a sustainability governance structure was established in financial year 2019 to ensure the Group's core focuses in ESG with the effective implementation in the sustainability strategy that are able to promote accountability over the established initiatives and management processes.

Group's Sustainability Organisation Structure

In financial year 2022, Fajarbaru recognises the importance of BOD being part of the Group's sustainability agenda and enhanced each role in Group's Sustainability Organisation Structure. The committee had monthly meetings to ensure our commitments and focus towards the SDGs. The meetings include sustainability updates on what other best practices the company can adopt and to create awareness on the latest approach to the employees from time to time. The sustainability related (Key Performance Indicator) KPIs have been incorporated into the annual appraisal performance of management and employees. At Fajarbaru, there is an awareness on the importance of sustainability and it is a priority for the board, senior management as well as employees to understand the sustainability risks and opportunities that can impact the Group.

Board of Directors ("BOD")

The BOD is primarily responsible for the Group to oversee and ensure effective implementation of sustainability strategy to be aligned with the company's strategies and priorities.

Group Chief Executive Officer ("Group CEO")

The Group CEO is the key designated person to provide dedicated focus to lead the charge and responsible to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. The Sustainability Committee Meeting was chaired monthly by the Group CEO.

Sustainability Steering Committee ("SSC" or "Committee")

The 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 key SSC meeting was conducted quarterly.

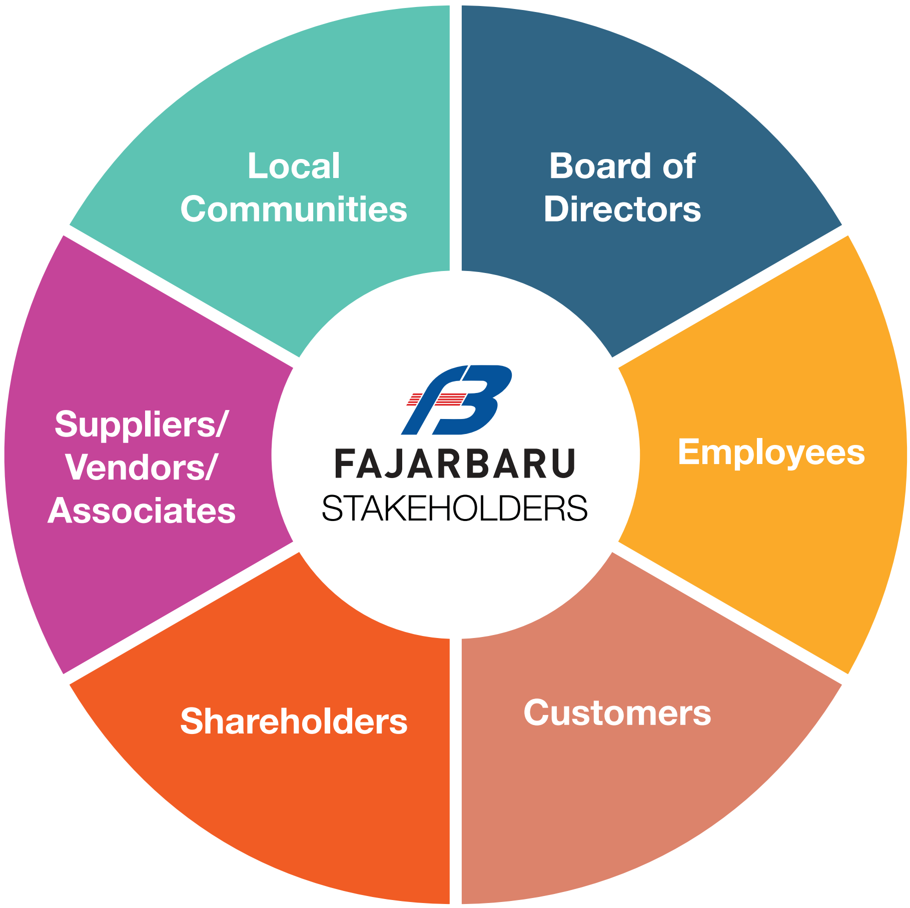
The Management ("TM")

The Management mainly supports the SSC, enhance our sustainability practices and to develop long-term solutions to manage our intangible value drivers. The business divisions consist of all business units. The Sustainability Committee Meeting was conducted monthly.

Fajarbaru's Sustainability Policy can be viewed at www.fajarbaru.com.my/investor-relations/corporate-governance/ and the Committee aims to enhance the policy in accordance to the Group's strategies and priorities related to sustainability matters.

STAKEHOLDERS

The business environment is changing rapidly and we have identified goals for each stakeholder group with the mission statements. Fajarbaru values the engagement with each and every stakeholder group through various activities and communication channels throughout the year. Through the engagement activities, we can continuously improve our operations to meet their respective need.



Sustainability Statement (Cont'd)

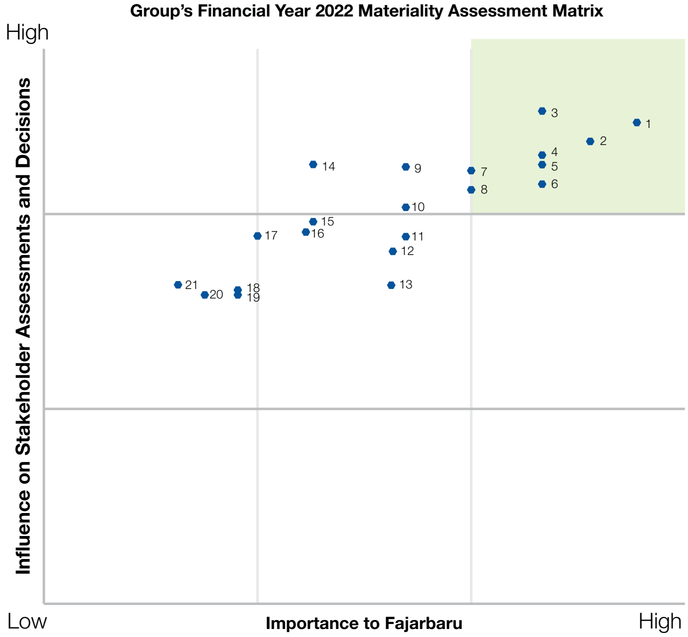
Our stakeholders consist of the following:

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 - Sustainability related trainings	- Quarterly - Annually - Ad hoc/To be organised annually
Employees	To create value for our employees by providing better growth opportunities at the workplace.	- Employee induction training - Hybrid Townhall sessions - Sustainability awareness talk - 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 with functional and sustainability related KPIs	- Ad hoc - Quarterly - Quarterly - Ongoing - 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

MATERIALITY

During financial year 2022, Fajarbaru had performed an internal materiality assessment in line with Bursa Malaysia's Sustainability Reporting Guide. Selected seniors, key management personnel from various business units and employees were invited to participate in the survey to assess key material sustainability topics that are relevant to the Group. During the process, we also obtained continuous feedback from our employees and key senior management through focus group sessions. The respondents rated the importance they placed on 21 economic, environmental and social matters.

Group's Financial Year 2022 Materiality Assessment Matrix



No.	Sustainability Topics
1.	Financial Sustainability of the Company
2.	Safe Working Environment
3.	Respecting Human Rights Standards
4.	Anti-Corruption Policies and Procedures
5.	Practice of Good Business Conduct/Ethics
6.	Employee Training, Education and Career Development
7.	Client Satisfaction
8.	Risk Management
9.	Employee Benefits
10.	Client Data Privacy
11.	Energy Management
12.	Supply Chain Management
13.	Waste Management
14.	Corporate Social Responsibility
15.	Material Management
16.	Diverse and Inclusive Workplace
17.	Water Management
18.	Assessment of Supplier's Environmental Practices
19.	Assessment of Supplier's Social Practices
20.	Carbon Emissions
21.	Land and Biodiversity Management

The Group has identified six material topics that would be emphasised within our Statement. These six topics are reflected in the upper green quadrant seen in the diagram above.

Sustainability Statement (Cont'd)

We also recognise that the materiality matrix and reporting content may change and aim to review relevance of these topics and assess their impacts on our business operations in every two years. We aim to improve our materiality assessment by including external stakeholders in our next reporting.

EMBARKING ON DIGITALISATION

Building Information Modelling ("BIM")

The COVID-19 pandemic is pushing the industry to diversify the usage of technology. BIM in Fajarbaru concentrated on enhancing the use of 5D BIM stages from 2021 to 2022. To do this, engineering and contract team will work together across divisions to determine the project's costing. Cubicost by Glodon is one of the applications used in our company. By incorporating cost information into a BIM model, it helps to increase productivity by allowing for faster and more accurate cost estimation. In addition, the 5D BIM technique offers the benefit of analysing various potential cost changes in a project to make it more cost effective.

From 4D scheduling, the same cost input can be projected into 4D timeline sequencing. It is beneficial to track predicted and actual project expenditures when the two processes being combined. With the time saved from extracting the bill of quantity, more time can be focused on critical aspects such as assessing financial risks in a project and budgeting. Any changes from a 3D process will be reflected in the 4D and 5D process. It is a solution to a better collaboration between engineering department, contract department and project team.

Drone Technology

Drone technology is one of the technologies Fajarbaru utilised in the quickly advancing construction industry. Drone use improves precedent study surveys for tender projects, site condition monitoring, and weekly progress updates. For a better understanding of overall site progress, drone images were distributed and presented in the monthly construction meeting. Drone handling training is provided to site employees, and it is regarded as a valuable addition to their skill set.

Drone image taken at Duta Park project

Drone image taken at Vierra Residence project

Embarking On Digitalisation (Cont'd)

Digital Transformation ("DT")

The future core Information Technology ("IT") infrastructure gives a positive impact in any industry as it spurred labour productivity. To adapt to the ever-changing business environment, Fajarbaru is embarking on a digital transformation journey by identifying our challenges and gaps in our business operations of all the Group's business segments. In the DT journey, the project will spearhead Fajarbaru to the next level to thrive in a high-performance work culture and be more dynamic and resilient in the environment it operates. We truly believe leveraging on technologies in our business operations will also create better values to our stakeholders in meeting their needs and satisfactions.

The DT initiative was conducted via engagement sessions in February 2022. We have completed a total of 20 engagement sessions with more than 45 key stakeholders from all the Group's business segments. A DT Strategy Roadmap has been established and it is targeted to complete within five years. In the initiative, we aim to improve our digital workspace which covers IT systems environment, workplace technology environment, IT architecture environment and IT structure organisation environment. During the financial year 2022, we have identified usable laptops and desktops for donation and we are in the midst of identifying local communities that would benefit from these equipment.

ECONOMIC

Construction industry in Malaysia was severely affected by the COVID-19 pandemic. Even after the Movement Control Order ("MCO") was lifted, contractors have continued to encounter disruption in having to incorporate stringent standard operating procedures ("SOP") on health and safety measures at all construction sites.

Fajarbaru received the inaugural Kuala Lumpur International Logistics and Transport ("KiLAT") Excellence Awards jointly organised by the Transport Ministry and EPL Exhibition Sdn Bhd.

The Infrastructure Contractor of the Year award is based on various criteria including management outlook, market presence, and share, and major innovations. This esteemed award was bestowed to Fajarbaru for its excellent track record of completing many infrastructure projects including the rehabilitation of Jerantut-Gua Musang Track (Package B), Seremban-Gemas Double Track, Skypark Hangar at Sultan Abdul Aziz Shah Airport, Subang and more.

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

The COVID-19 pandemic has posed significant challenges for many local suppliers. However, supply chain management still plays an important role in the industry. We prioritise to support goods and services from local suppliers to ensure continuity of local participation in our development projects that will contribute towards the economic growth of the local community. During financial year 2022, Fajarbaru continues to source all materials from local suppliers and only local companies have been appointed as our subcontractors.

We recognise the importance of environmental and social considerations within our supply chain. We conduct monthly awareness workshop to communicate to our employees, subcontractors including newly appointed subcontractors to abide by all applicable laws and regulations. This is to ensure all our employees and subcontractors are aware with our service quality

Sustainability Statement (Cont'd)

Supply Chain Management (Cont'd)

requirements that is in line with the requirements of Quality Assessment System in Construction ("QLASSIC") to aid the Construction Industry Development Board ("CIDB")'s external evaluation process for our completed building projects. At each and every site projects, it is also our priority to ensure subcontractors establish a safety and healthy working environment for employees.

Moving forward, we aim to conduct suppliers' sustainability assessment related to ESG as part of their onboarding tender process by the end of 2022. This process will allow us to determine how suppliers and subcontractors manage 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 operation. All policies are made available through the employees' engagement platform to ensure the employees are able to refer to the policies at any time.

Code of Conduct and Ethics ("Code")

All employees of Fajarbaru shall observe the provisions of the Code of Conduct and Ethics and Employee Handbook to maintain the highest standard of professional conduct.

More information on the Code of Conduct and Ethics can be viewed at www.fajarbaru.com.my/investor-relations/corporate-governance/

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

Fajarbaru takes 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.

All employees and business associates may report any act of bribery and corruption directly through a dedicated email: auditcommittee@fajarbaru.com.my. More information on the ABC Policy can be obtained from www.fajarbaru.com.my/investor-relations/corporate-governance/

No-Gift Practice

In ABC Policy, Fajarbaru observes a No-Gift Practice, whereby employees are prohibited from solicity 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 apperance of conflict.

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 Ethics through a dedicated whistleblowing email: whistleblowing@fajarbaru.com.my which is accessible by the Chairperson of the Audit Committee. Further information on this policy can be obtained from www.fajarbaru.com.my/investor-relations/corporate-governance/

Internal Grievance Platform

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.

Commitment To Good Business Conduct (Cont'd)

The Group believes in transparency and fair treatment that everyone should be respected and treated with dignity. There is no reported misconduct, act of bribery and corruption and internal grievance incident at Fajarbaru during the financial year 2022. It is a norm at Fajarbaru that we continued in integrating human rights standards into practice at the workplace. We aim to develop human rights policy by next financial year 2023. The policy aspires to best practice to combat discrimination in making adjustments for diversity, achieving equality and fulfilling human rights.

PARTICIPATION IN INDUSTRY ENGAGEMENTS

We are committed to contribute towards the economic development of the infrastructure and construction industry. Fajarbaru is actively engages with the industry partners like MBAM, REHDA and CIDB through various meetings, workshops and trainings.

Fajarbaru's current representatives in MBAM

Dato' Sri Kuan Khian Leng	Vice President, MBAM (2022 – to-date) Awards & Constitution Committee, Deputy Chairman MBAM (2022 – to-date) Membership Committee, Advisor, MBAM (2022 – to-date) Secretary-General, MBAM (2020 – 2022) Membership Committee, Chairman, MBAM (2020 – 2022) International Affairs & Business Development Committee, MBAM (2020 – 2022) MBAM Education Fund Board of Management – Alt Board Member (2020 – 2022) Council Member, MBAM (2014 – to-date)

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 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.

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 highest rating of 5 Star for the year 2021 (valid until year 2023).

Sustainability Statement (Cont'd)

SOCIAL

Business as usual is no longer an option to any industry section with the new Norm. However, we take utmost priority on the safety and health of all our employees and practice active engagement with every single employee to ensure good wellbeing are carried out at the workplace. Since COVID-19 pandemic, it has become a new Norm for each head of department to cultivate trust and improve employee engagement and performance.

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

At Fajarbaru, safety is not just our utmost priority but it is one of our important core values as we believe all injuries are preventable. Fajarbaru holds the ISO 45001:2018, Occupational Health and Safety ("OHS") Management System certification standard. We monitor, manage and minimise OHS risks hence to prevent work-related injuries to workers and to provide the best safe and healthy workplace to all employees. This statement covers the reporting during financial year 2022.

The cross-division monthly construction meeting plays a vital role within Fajarbaru's construction and property development division. These meetings provide an avenue to discuss importance 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 Occupational Safety and Health Act 1994, Safety and Health committee are established consist of Project Management personnel, safety and health personnel and subcontractor's representative at every project site. The Safety and Health committee meeting will be held at least once every three months.

Daily Site safety inspection will be conducted by site manager and safety personnel to ensure all the determined control measure are in order. In addition, daily toolbox talks will be briefed prior any commencement of works to spread awareness on maintaining the highest safety and health standard.

A weekly safety audit will be carried out for each project site by quality, environment, safety and health department to ensure the effectiveness of compliance to all the various act and regulation. In every quarter, site safety personnel will organise various training and activities such as evacuation, forklift handling, firefighting, safe use of chemical and other relevant programmes to keep abreast with the latest development in safety and health standard.

Occupational Health and Safety (Cont'd)

We as a responsible business entity is committed to ensure the safety and health of the construction site conforms to legislations requirement, approved standards, code of practice, guidelines, specifications and contractual requirements. One of the assessment systems that Fajarbaru conduct is Safety and Health Assessment System ("SHASSIC"), which is an independent method to assess and evaluate the safety and health performance of a contractor in construction works or projects. During the financial year 2022, there is no injury or death reported at Fajarbaru in accordance to Department of Occupational Safety and Health ("DOSH") or CIDB's record.

A safety and health committee is committed to conduct quarterly meetings at Fajarbaru's headquarters in Kelana Jaya. The committee is responsible to develop, review and discuss on the health and safety management programmes. Fajarbaru conducts quarterly ISO or Safety Awareness Talk during the Townhall session as a refresher training and also to ensure employees are up to date with the latest requirements of the Safety and Environment Management System and laws.

Earlier during financial year 2021, we established COVID-19 Task Force Committee now renamed to Disease Control Task Force Committee as there are many other diseases other than COVID-19. We comply to the latest rules and regulations set by the government and have revised SOP on Line of Communication for COVID-19.

During the early financial year 2022, 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. We have more stringent SOP and COVID-19 FAQ implemented at our workplace to reduce the spread of COVID-19 infection and the steps to be taken when there is a positive case. As preventive measure against COVID-19 via airborne transmission, we have installed 16 units of air purifiers to ensure good ventilation in our office premises.

The Group also adhere to the rules and regulations set by the government to provide self-test kits to all construction employees to conduct their bi-weekly self-test.

The Safety & Health Department conducted a yearly fire drill exercise.

Self-Climbing Platform ("SCP")

Fajarbaru utilises the Self-Climbing Platform ("SCP"), a technology that minimises hazards while efficiently maximising productivity. As opposed to the conventional scaffolding - the metal bars usually found on construction areas which are known for their many hazards and safety risks - SCP uses a mechanical self-lifting system that is fully covered with a rigid protective screen. Equipped with an anti-fall device, the system prevents accidental drops; and is constructed from non-combustible materials to withstand fire hazards.

Sustainability Statement (Cont'd)

EMPLOYEE TRAINING

During the financial year 2022, the Group emphasised on employees' training to ensure our employees are equipped with the necessary skillsets, knowledge and qualifications by setting an annual training need through their annual performance appraisal.

Our Human Resources ("HR") 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. In financial year 2022, we achieved 2,452 hours of training for our employees throughout our business segments. In the last financial year, we targeted to improve our training hours by 10%, however, the Group only achieved 5.4%. The decrease is mainly due to the COVID-19 challenges in practicing physical social distancing and COVID-19 cases. We aim to conduct training programmes regularly and also increase number of the trainings or talks of related Sustainability by next financial year 2023.

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.

Total Number of Hours in Training (between 2020-2022)

Year	2020	2021	2022
Training hours per year	1,841 hours	2,325 hours	2,452 hours

The distribution of training hours segregated by gender and business segments are seen in the table below.

Average Training Hours provided	Construction	Property	Logging and Timber Trading	Trading	Logistics	Plantation	Average
Per employee	48.8	39.4	0.84	48.0	5.0	0.0	9.8
By Gender							
Male	22.2	18.0	0.84	0.0	5.0	0.0	8.1
Female	26.5	21.4	0.0	48.0	N/A	N/A	11.9

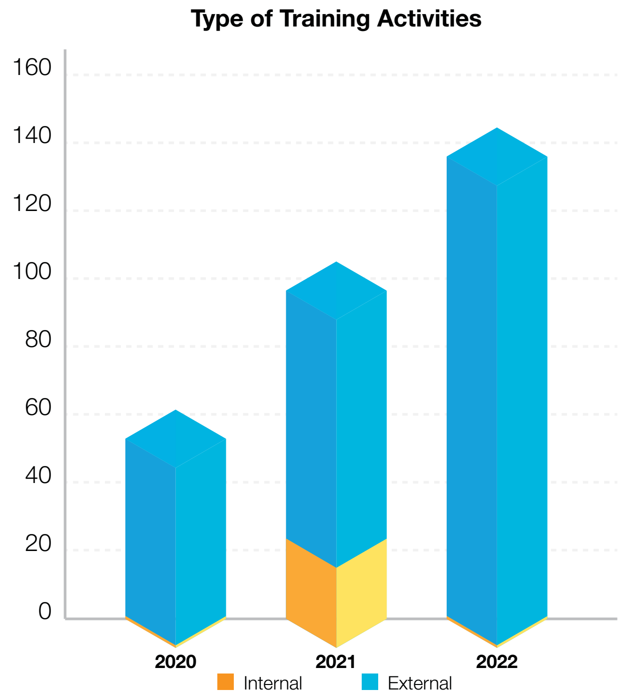
Fajarbaru holds the ISO 9001:2015 – Quality Management System for its construction division. Our commitment is to ensure all employees in this division (excluding non-executive employees) to undergo at least 12 hours of training per year.

Moving forward, we will study the feasibility of implementing an annual training target for employees in other business divisions through their performance appraisal.

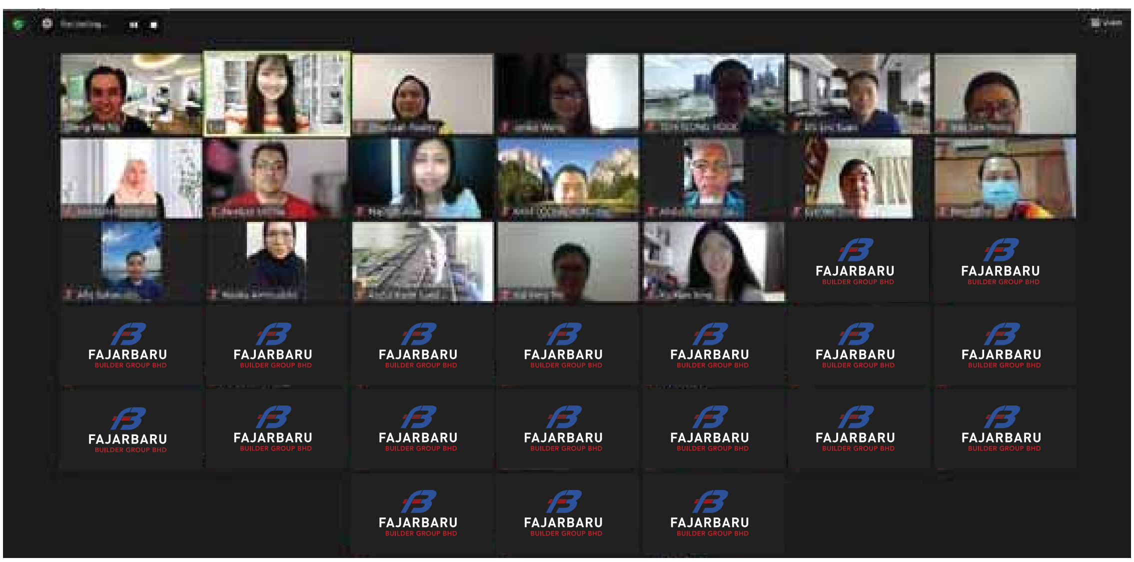
Employee Training (Cont'd)

Employee training comprises the following categories:

Trainings and Talks Categories
Accounting and Administration
BIM
Construction
COVID-19
Digitalisation
HR
ISO Compliance
Legal & Laws
Occupational Health & Safety
Quality Control and Assurance
Sustainability/Sustainable/ESG
Tax Compliance



During the COVID-19 pandemic in 2022, most of the external trainings were conducted virtually. There is an improvement in the number of trainings attended by the employees as compared to 2020. The training cost per employee reduced to RM200 because most of the trainings are complimentary webinar.

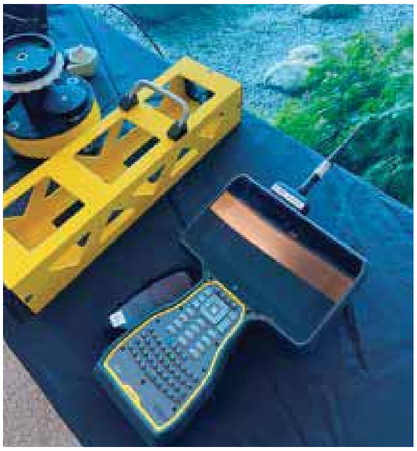


On 21 July 2021, a consultant from Lloyd organised a virtual talk about The Importance of BIM & ISO 19650 Talk.

Sustainability Statement (Cont'd)

Employee Training (Cont'd)

During the COVID-19 pandemic and lockdown, Building Information Modelling ("BIM") team's objective was to improve the skillset and adapting to the future way of work in delivering the highest standard of design quality. The BIM team have attended several workshops and trainings to ensure the learning of latest information in the new technology were carried out in the construction design work.



Computerised Maintenance Management System (Cworks) Training

Quality Assessment System in Construction

Basic Occupational First Aider Training

Basic Fire Fighting and Emergency Response Training

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. We are in comply to implement minimum wages in accordance to the Human Resource Ministry rules and regulations.

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

At the site projects, we ensure we meet the compliance of proper accommodation to foreign workers and endeavour to obtain the certication of compliance minimum standards of Housing and Amenities Act 1990 (Act 446). Moreover, we conduct weekly mass tool box to all foreign workers. This tool box is designed for foreign workers to speak up or highlight their issues if there is any dispute or unfair treatment. The issues will be circulated to the Health and Safety Officer and appropriate actions will be taken.

The flood disasters are challenging and totally a different scenario than the COVID-19 pandemic as employees affected face bigger losses such as properties, cars and also health and mental issues. We truly care about our employees to ensure they have a healthy lifestyle. As part of its efforts in helping the flood victims, Fajarbaru provide monetary aid to employees who were affected by the flooding in December 2021. Some employees set up their own teams with equipment to clean and support those affected employees.

Sustainability Statement (Cont'd)

Company's Engagements

In July 2021, the company's Sports Club engaged a fitness coach for a month; virtual fitness programme conducted on a weekly basis to promote a healthy lifestyle.

Fajarbaru recognises each and every employee's and team's efforts contributed to the company. We organise Fajarbaru STAR (STaff Appreciation and Reward) and Best Team Award and Continuous Improvement Programme ("CIP") Awards rewarding those outstanding performance.

Fajarbaru STAR Award

Fajarbaru Best Team Award

The theme for International Women's Day ("IWD") on 8 March 2022 was #BreakTheBias. At Fajarbaru, we support IWD and strongly believe in a gender-equal world free of bias, stereotypes and discrimination. Fajarbaru has a Sexual Harassment Policy which provides for a safe working environment and a zero tolerance on sexual harassment.

Company's Engagements (Cont'd)

The company promotes physical activity to strengthen employees' immune systems. Fajarbaru Sports Club organised a weekly badminton session.

As part of appreciation and to thank our employee for their contribution, the Sports Club organises and distributes a slice of cake to each employee during their birthday.

Fajarbaru observes and celebrates major festivals in Malaysia.

Sustainability Statement (Cont'd)

Company's Engagements (Cont'd)

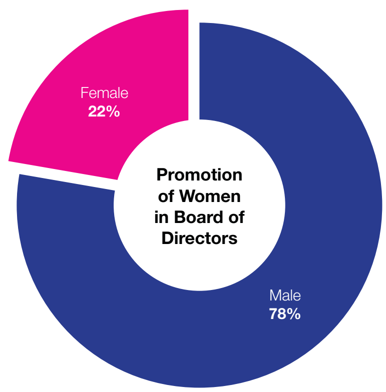
During the financial year 2022, Fajarbaru conducts hybrid townhall session every quarter to keep employees informed on latest updates of the company. We also have a knowledge sharing session by one of our employees in any topic as it is a means to share and exchange knowledge and to build the confidence level of the employee in public speaking.

WORKFORCE DIVERSITY

Workforce diversity and inclusion are becoming increasingly important and necessary for any industry and organisation to be successful in this ever-changing business environment. We recognise that we operate in industries traditionally dominated by men and the business continue to adapt to new ways of working. That said, we endeavour to promote equal opportunity and inclusivity in our recruitment process and in financial year 2022, we are near to equal percentages of male and female employees in the workplace.

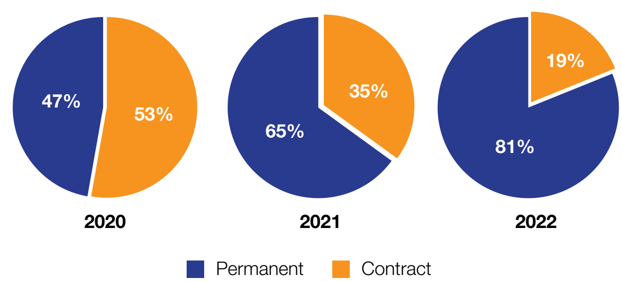
Workforce Diversity (Cont'd)

As at 30 June 2022, 250 people are employed in Fajarbaru Group of Companies.

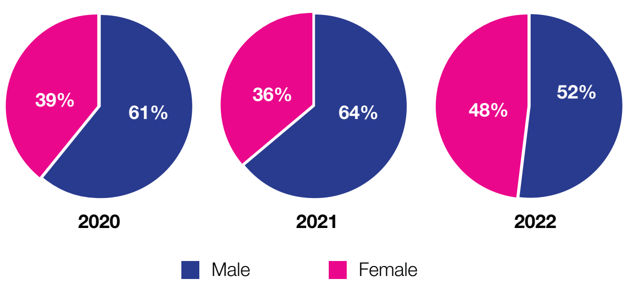


There is a slight increase in the promotion of Women in Board of Directors.

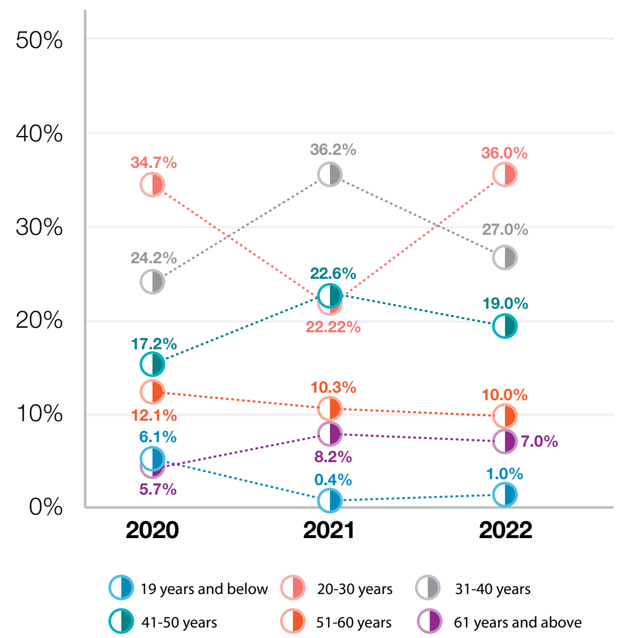
Employee Diversity by Employment Contract



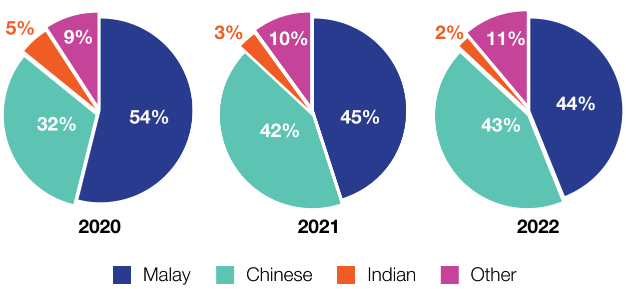
Employee Diversity by Gender



Employee Diversity by Age Group



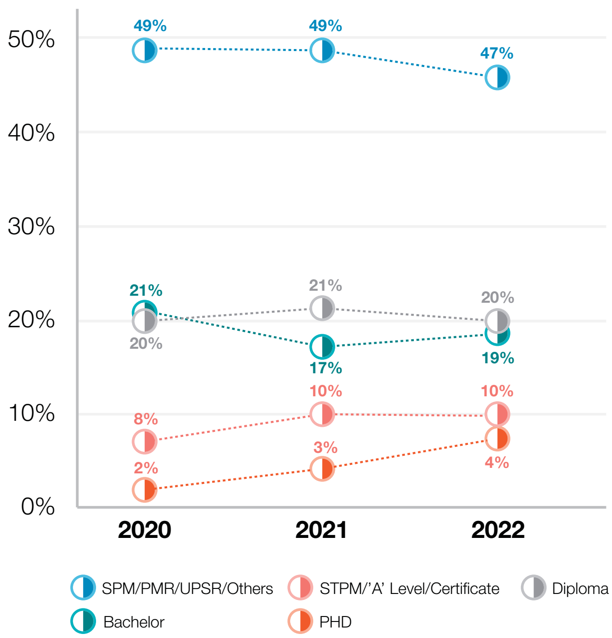
Employee Diversity by Ethnicity



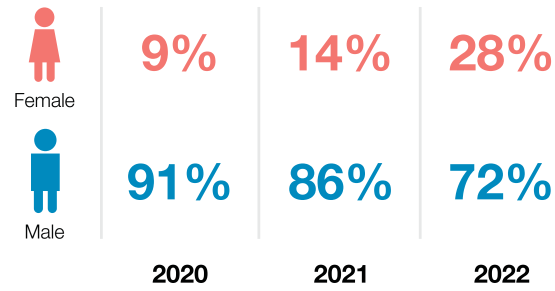
Sustainability Statement (Cont'd)

Work Diversity (Cont'd)

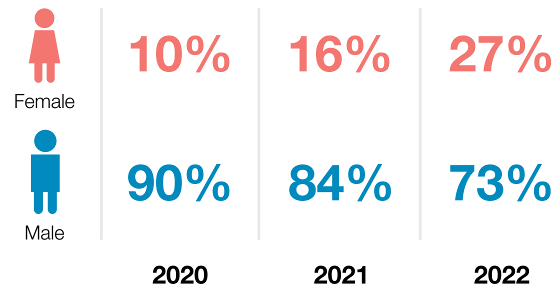
Employee Diversity by Education Background



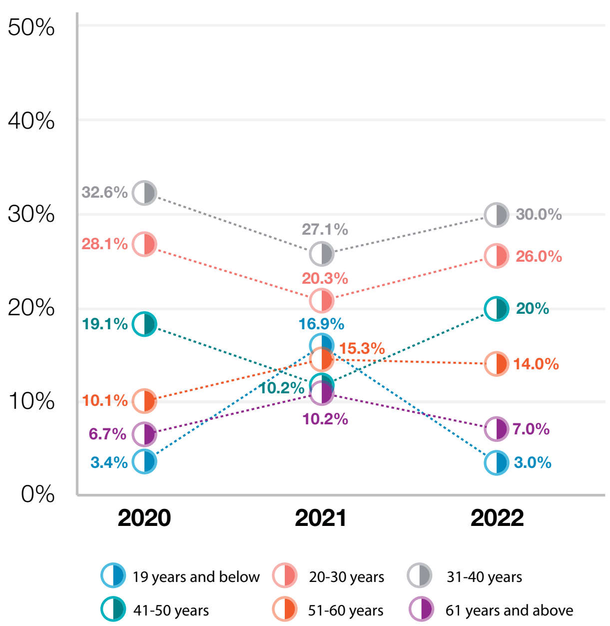
Employee Turnover Rates by Gender



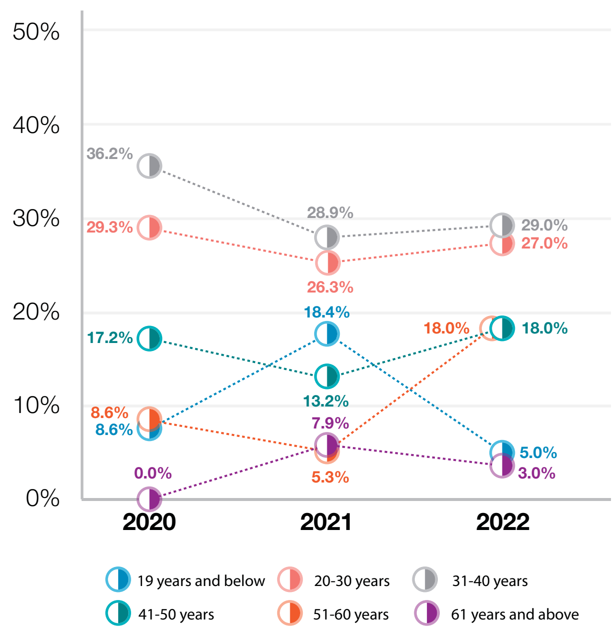
Employee New Hires by Gender



Employee Turnover Rates by Age Group



Employee New Hires by Age Group



SERVICE QUALITY

Service quality is increasingly important and necessary to ensure good customer satisfaction as it is the most important factor today in the business world. When the customer expectations are being met, it helps to maintain greater customer loyalty and relationship. 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. Our Internal Quality Assurance & Quality Control department perform every twice a year for compliance and the audit findings will be shared across senior management and head of departments. Furthermore, we also engaged external auditor to perform audit every once a year.

During the financial year 2022, we have successfully performed our Management System Re-Certification Audit for our ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System).

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

Sustainability Statement (Cont'd)

Service Quality (Cont'd)

Procedures within The Company Manual	
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

The Qlassic's Objective of Quality Assessment System

Quality Assessment System in Construction ("QLASSIC") assessments is an evaluation process established by CIDB to measure and evaluate the workmanship quality of a constructed building. It is carried out through site inspection and use the principles of first-time inspection. The Quality Assessment System was designed and developed to enable the user to achieve the scoring. The objective of this principle is to encourage the contractors to "Do Things Right the First Time and Every Time". This standard sets out the quality of workmanship for the various aspects of construction elements and marks are awarded for the works that are in compliance with the standard.

a) To establish a standard assessment system for quality of workmanship of building projects;
b) To assess quality of workmanship of building projects;
c) To evaluate the performance of contractors on the quality of workmanship;
d) To benchmark the level of quality of the construction industry in Malaysia;
e) To compile data for statistical analysis.

CUSTOMER SATISFACTION

We strive to deliver highest level of customer experience in line with our core value - Quality. 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

Customer Satisfaction (Cont’d)

Our target is set for a minimum of 80% in achieving excellent customer satisfaction. The outcome of the Customer Satisfaction Survey will be tabled during senior management meetings for a thorough evaluation to identify potential improvement opportunities. If the outcome is below the target, the project manager will need to come out with a Corrective Action Report and aim to improve the satisfaction level in the next project.

QLASSIC Accessor Course

Fajarbaru is committed to contribute high quality product by practicing QLASSIC assessment system. We conduct trainings to continue train more qualified employees to achieve a better scoring in the QLASSIC assessment system.

COMMUNITY ENGAGEMENTS

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

Fajarbaru sponsored RM10,000 as Gold Sponsor for the MBAM Annual Golf Tournament 2021 on 6 November 2021 held at Kota Permai Golf & Country Club (“KPGCC”). The theme for the golf tournament was MBAM Comeback On Golf (MCO Golf) to reflect MBAM corporate social responsibility’s efforts during this unprecedented period. The annual golf tournament aims to foster closer relationship among its members, business associates and regulatory bodies in addition to providing a platform for networking.

The Group strongly believes in supporting social enterprises that provides job opportunities and skills training. In December 2021, Fajarbaru purchased gingerbread cookies baked by Silent Teddies Bakery from the Community Service Centre for the Deaf (“CSCD”). The cookies were given to employees within the Group as an appreciation and to raise awareness of CSCD.

Sustainability Statement (Cont'd)

Community Engagements (Cont'd)

In March 2022, Fajarbaru employees participated in a half day nature education programme by Free Tree Society ("FTS") at Taman Tugu Kuala Lumpur. The aim of this programme is to create environmental awareness and participants learnt about gardening, rainwater harvesting, waste management, climate change, etc. The sustainable solutions talk enable our employees to understand how we can help to reduce the greenhouse gas emissions and our carbon footprints.

In conjunction with Autism Awareness Month in April, Fajarbaru treated its employees with "buka puasa" kuehs catered from Autism Cafe Project in an effort to raise awareness and acceptance of people with autism. Autism Cafe Project ("ACP") was established in 2016 with a prime objective to secure the future independence of youth with autism.

Railway Assets Corporation Social and Welfare Club ("KSKPAK") organised a Golf Tournament in June 2022. Fajarbaru sponsored a platinum package of RM20,000 and the fund will be utilised for charity work such as donations to orphanages and providing aid to victims of natural disasters as well as KSKPAK company's activities.

In financial year 2022, the Group has contributed RM100,000 to the Dream of the Red Chamber Research Centre, University of Malaya as providing financial assistance for their research purposes.

ENVIRONMENT

This is our fifth 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. 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 ensuring compliance with all the Environmental Acts and Regulations, Fajarbaru holds the 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 continues to conduct 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.

We have identified energy management, carbon emissions, water management, resource and waste management as important environmental factors for the Group.

GREEN FEATURES

GreenRE ("Green Real Estate") was set up by REHDA in 2013 to drive sustainability in Malaysia's real estate industry and is the leading green building certification tool developed by the industry. It focuses on 6 pillars of sustainability in assessing a particular building or township project such as Energy Efficiency, Water Efficiency, Carbon Emission, Environmental Protection, Indoor Environmental Quality and other Green Features. GreenRE's standards and certification process are in line with United Nations ("UN")'s SDGs and World Green Building Council's commitment towards achieving a net zero future. In line with our target in reducing the impact to the environment, we are committed to adopt green features at our site project, Vierra Residence @ Kinrara project. The GreenRE assessor has completed the assessment and we achieved GreenRE Silver Provisional certification.

These are the green features that will be adopted at Vierra Residence @ Kinrara.
1) Optimised façade design with Residential Envelope Transmittance Value ("RETV") below 25W/m2,
2) Naturally ventilated common area such as carpark, lobbies, corridors and staircases,
3) Lifts with Variable Voltage and Variable Frequency ("VVVF") drive, sleep mode features, regenerative drive and gearless drive,
4) High efficacy light to reduce energy consumption,
5) Solar panel to generate electricity from the renewable solar energy,
6) Water efficient fittings with lower water flow rate that reduces potable water usage,
7) Rainwater harvesting system to collect rainwater for landscape irrigation, and
8) Sustainable products with recycled content, low Volatile Organic Compound ("VOC") and no added formaldehyde.

Sustainability Statement (Cont'd)

GO GREEN INITIATIVES

At Fajarbaru, we strive to uphold the UN's Sustainable Development Goals in our daily operations as we believe small steps also contributes to lessen impact to the environment. We reuse, reduce and recycle our resources to the best of our efforts to contribute towards building a more environmentally-friendly Malaysia. Fajarbaru's Go Green Campaign initiatives are still carried out at our headquarters. We appointed a licensed agent to collect our used paper and ink cartridges for recycling. Furthermore, we also ensure that waste is removed and disposed from our project sites and headquarters on a daily basis.

On-Going Activities of Go Green Initiatives to Minimise the Impact
Awareness of Using Recycling Bin
Recycled Stationery and Ink Cartridge
Practice of Using Eco-friendly Refillable Stationeries
Practice of Using FSC Paper Materials
No Paper Cup Day every Friday
Smoke Free Workplace Policy

Sustainability Awareness Posting

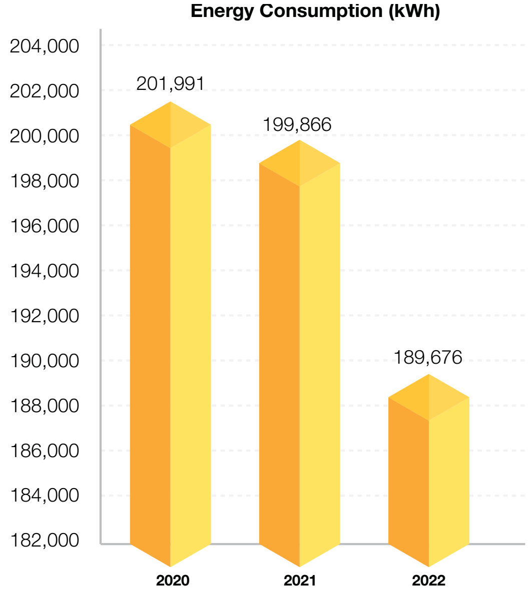
During the financial year 2022, there are monthly sustainability awareness posting to all employees including site offices such as recycling postings on inculcating the habit of recycling will help us reduce waste on how and what to recycle and do our best to minimise our impact on the local community. The monthly postings create awareness and sharing of information related to sustainability and what the company or the employees can practice at the workplace.

One of the postings of 6 simple ways to reduce the carbon footprint.

ENERGY MANAGEMENT

Our electricity consumption at our headquarters during the current financial year amounts to 189.68 MWh. Fajarbaru established an Energy Saving Workshop Committee ("ESWC") and 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 business day. Power Off posters continue to be placed at the headquarters and site offices. We set an energy reduction of 5% in our Annual Report 2021 and we have achieved the target of 5.1% energy consumption for the current financial year. The main reason of energy consumption reduction is due to our ESWC had conducted an Energy Saving Workshop at our headquarters and taken the initiative to change all lighting bulbs to LED. Set timer initiatives are in place on each water dispenser and this will also reduce the electricity consumption. The reduction of 5% energy consumption will be set as our annual target. Moving forward, we aim to look into other initiatives on energy efficiency at our headquarters.

Energy Consumption (kWh)

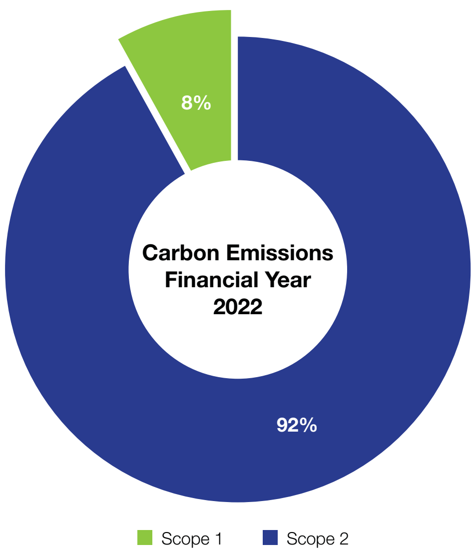


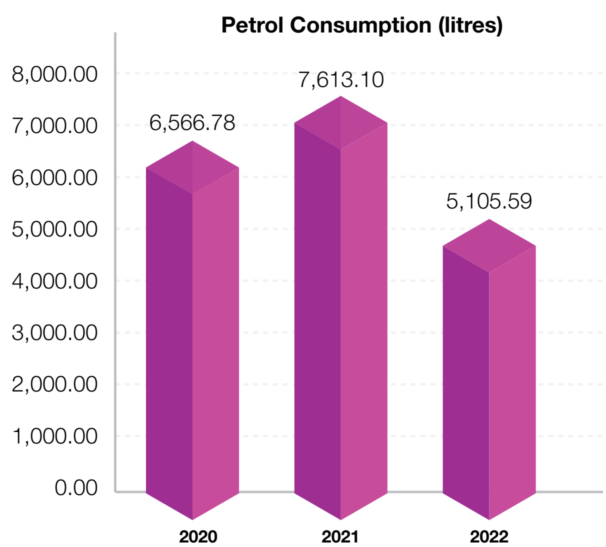
Sustainability Statement (Cont'd)

CARBON EMISSIONS

National concerns have been raised that rapid changes in the earth's climate can threaten Malaysia's natural resources. At Fajarbaru, we endeavour to reduce our carbon footprint with an aim to lessen the effects of global warming and disasters such as flood, heat waves and others. 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 2022, our carbon emissions amount to 151.96 metric tonnes of carbon emissions equivalent ("tCO2e"). For financial year 2022, we have calculated our emissions under the following categories:

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



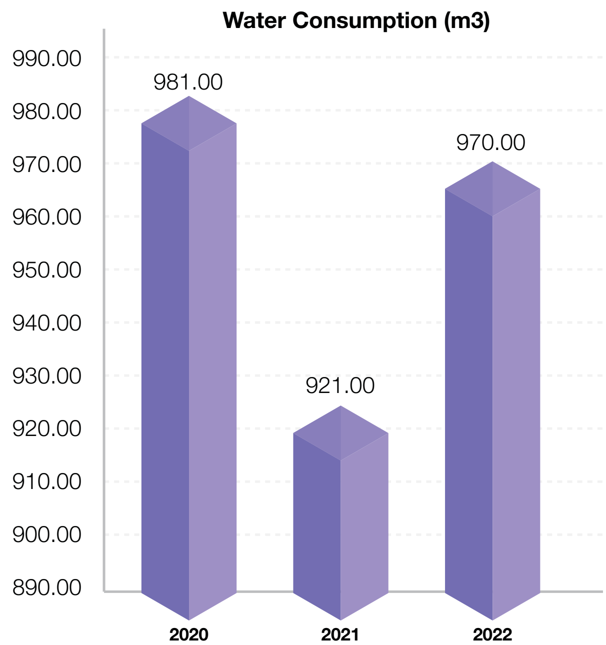


According to our internal tracking, our petrol consumption has decreased in 2022. Our asset team has carried out internal asset evaluation and some of the old vehicles have been disposed due to the vehicle condition. Based on Fajarbaru's Annual Report 2021 target setting of 5% petrol reduction, we have achieved the target of 32.9% reduction.

Moving forward, we endeavour to undertake measures to enhance our scope of reporting and establish a boundary for calculating Scope 1, 2 and Scope 3 by engaging consultant to study the feasibility by 2025.

WATER MANAGEMENT

Our water consumption at our headquarters in Kelana Jaya is sourced locally from our municipal water utilities supplier. We consumed approximately 970 litres of water at our headquarters in financial year 2022. In 2021 COVID-19 pandemic lockdown and stringent SOPs, the company implemented working from home flexible arrangement which reduced the water consumption in our office. However, our water consumption at our headquarters has increased in 2022 and the target of reducing 5% water consumption was not achieved in 2022. This was mainly due to resumed business operations and some renovation works were carried out in 2022. We aim to introduce monitoring measures by conducting regular checks and fixing any plumbing leaks in our office immediately when detected.



RESOURCES AND WASTE MANAGEMENT

As a result of our committment to protect our environment and our communities, Fajarbaru continues its responsibility in the compliance to the Environmental Quality Act 1974 on general waste and scheduled waste disposal. We ensure all our site projects impose a scheduled waste policy. 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.

We repurpose and enhanced 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.

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 KPIs and targets for the different business activities.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities. The objective of this statement is to provide Stakeholders with an overview of the application of the corporate governance practices of the Group under the leadership of the Board of Directors ("Board") during the financial year ended 30 June 2022 with reference to the key corporate governance principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board has also provided specific disclosures on the application of each of the Practices in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 28 October 2022. Shareholders are advised to read this overview statement together with the CG Report prepared based on a prescribed format as set out in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Company's corporate governance practices vis-à-vis the MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

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.

Board Responsibilities

The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short and long term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Group to achieve its corporate goals and objectives. The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. 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 Board is led by the Group Executive Chairman who ensures smooth functioning of the Board so that the Board can perform its responsibilities effectively in meeting the goals and objectives of the Group and the Company. Under the leadership of the Group Executive Chairman, the Board continues to function effectively in fulfilling its governance responsibilities during the financial year. The Group Executive Chairman is primarily responsible for the Group's overall business plan and direction, whereas, the Group Chief Executive Officer and Group 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

Board Responsibilities (Cont'd)

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. They possess integrity and extensive experience to provide unbiased and independent views to the Board. Their role is to challenge the management and the Board in an effective and constructive manner as well as to provide justified and sound opinions to the Board of Directors.

The roles of the Group Executive Chairman are separated with clear division of responsibilities to ensure balance of power and authority. The Group Executive 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 Group Executive 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 Group Executive 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.

Director	Responsibilities
Group Executive Chairman	The Board is led by Tan Sri Dato' Sri Chan Kong Choy, the Group Executive Chairman who is responsible for good corporate governance practices, leadership and effectiveness of the Board. The Chairman provides leadership and governance in order to create a conducive environment geared towards building and enhancing the Board's effectiveness and ensures that all strategic and critical issues are discussed by the Board in a timely manner. The Chairman is also responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.
Group Chief Executive Officer	The Group Chief Executive Officer ("GCEO") of the Company is Dato' Sri Kuan Khian Leng. The GCEO is supported by the Group Executive Directors and Senior Management Team in implementing the Group's strategic plan and overseeing the operations and business development of the Group.
Group Executive Director	The Group Executive Director ("GED") is responsible for the executive management of the Group's business and implementing operational decisions and managing day-to-day operations.
Non-Executive Director	The Company has three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The Non-Executive Directors are strong individuals to oversee and scrutinise the decisions and conducts of the management and the executive directors. The Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

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.

The Board met six (6) times during the financial year ended 30 June 2022 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 37 of this annual report.

Board Committees

The Board has delegated certain functions to the Committees its 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 ("AC")
(ii) Nominating Committee ("NC")
(iii) Remuneration Committee ("RC")
(iv) Risk Management Committee ("RMC")

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 and Senior Management Team.

Board Committees (Cont'd)

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, 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 Audit Committee disclosed in the Report of the Audit Committee on page 94 to 96 of this Annual Report, while the responsibilities of Risk Management Committee set out on page 86 to 92 of this Annual Report.

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.

The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors, and promptly disseminate communications received from the relevant regulatory/governmental authorities.

The appointment of the Company Secretary is 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.

Corporate Governance Overview Statement (Cont'd)

Supported by Qualified and Competent Company Secretaries

The Board is supported by professionally qualified and competent Company Secretaries.

The Company Secretaries, being member of The Malaysian Association of Company Secretaries ("MACS") and The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), satisfied the qualification as prescribed under Section 235(2) of the Companies Act, 2016 and have the requisite experience and competency in company secretarial services.

The Company Secretaries play an important advisory role to the Board, on administrative, regulatory requirements and governance matters. The Company Secretaries are also responsible to ensure that accurate and proper recording of proceedings and resolutions at the Board, Committees and general meetings.

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries ("MACS"). He has more than 31 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 16 years of experience in corporate secretarial practice.

Anti-Bribery and Anti-Corruption Policy

An Anti-Bribery and Anti-Corruption Policy was established to set out the Group's zero tolerance approach against all forms of bribery and corruption. The Group's practices are in accordance to the Malaysian Anti-Corruption Commission Act 2009 and its amendments. The Anti-Bribery and Anti-Corruption Policy is published on the Company's website under the Investor Relations segment at www.fajarbaru.com.my/investor-relations/corporate-governance/.

Code of Conduct and Ethics

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standards throughout the Group.

In this respect, the Group has established a Code of Conduct and Ethics to provide direction and guidance to all Directors, Senior Management and employees in the discharge of their duties and responsibilities that will be in the best interests of the Group. The Code of Conduct and Ethics has been uploaded on the Company's website under the Investor Relations segment at www.fajarbaru.com.my/investor-relations/corporate-governance/.

Fit and Proper Policy

The Fit and Proper Policy was established to set out the criteria and approach to assess the potential candidates for appointment and re-election as Directors of the Company and its subsidiaries. The Fit and Proper Policy is published on the Company's website under Investor Relations segment at www.fajarbaru.com.my/investor-relations/corporate-governance/.

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.

The Whistle-blowing 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 the policy and to provide protection for employees and members of the public who report such allegations.

Whistle-blowing Policy (Cont'd)

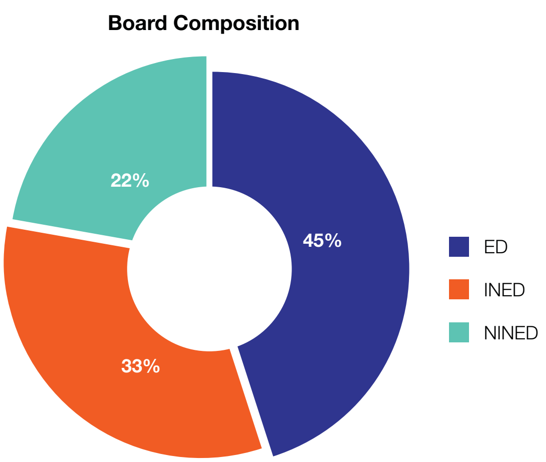
A whistle-blower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his / her identity to the Company 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.

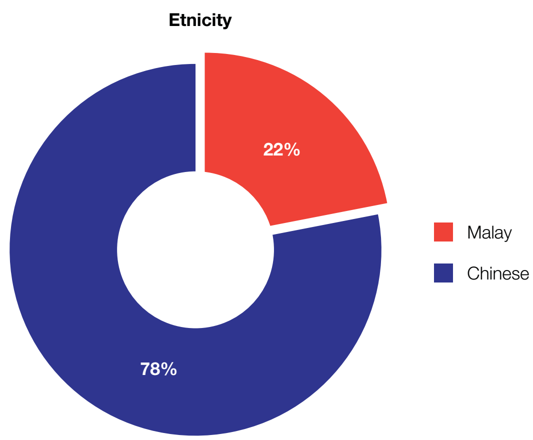
The Whistle-blowing Policy is posted on the Company's website under the Investor Relations segment at www.fajarbaru.com.my/investor-relations/corporate-governance/. Any improper conduct may be reported in writing directly to whistleblow@fajarbaru.com.my, which is accessible by the Chairman of the Audit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

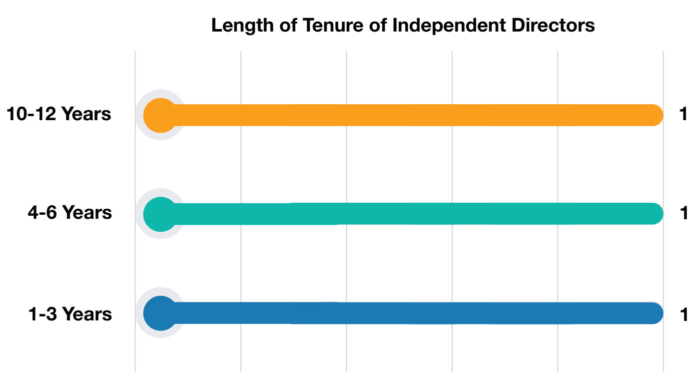
PART II – BOARD COMPOSITION

Composition and Balance

The Board of Fajarbaru Builder Group Bhd. currently has nine (9) members comprising of a Group 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 three (3) Independent Non-Executive Directors. The Company is in compliance with the MMLR which required at least two directors, or one-third of the total number of Directors, whichever is higher, to be Independent Directors.







Corporate Governance Overview Statement (Cont'd)

Composition and Balance (Cont'd)

The presence of Independent Non-Executive Directors fulfills a pivotal role in corporate accountability. Although all the Directors have equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors ("INEDs") are 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.

The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, marketing and operations. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

In the event of any vacancy in the Board, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within three (3) months.

The Board is mindful that its still does not comprise of at least half INEDs as recommended by Practice 5.2 of MCCG 2021. The Board is of the view that the present INEDs, with the breadth of professional background, have enabled the Board to exercise objective judgement on various issues and decisions are made through their sharing of impartial, objective and unbiased opinion and viewpoints.

Further, the current composition of the Board Committees comprise of majority INEDs which affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function. The significant contributions of the Independent Directors in the decision-making process are evidenced by their participation as members of the various Board Committees. Hence, the INEDs are able to carry out their duties and to provide an unfettered and unbiased independent judgement and to promote good corporate governance.

Nonetheless the Board will consider appointment of additional INEDs in the near future to ensure that the Board comprises at least half INEDs as per Practice 5.2 of the MCCG 2021.

Appointment of Directors

The NC 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 NC 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 NC, 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 ultimate decision will be based on merit and contributions the candidate brings to the Board.

The NC will also evaluate the independence of the Independent Director based on the evaluation criteria approved by the Board and submit its findings to the Board for deliberation. The Independent Director who is also the NC member 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.

Re-election of the Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors 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 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 Securities. 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 2022, 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)

Directors' Training (Cont'd)

The trainings, 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	- Sustainability Strategy and Reporting
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	- BCG Talk on Digital Banking - BDO Tax Briefing on Government's Budget 2022 Impact
Dato' Sri Kuan Khian Leng	- MBAM Sustainability Webinar - The Importance of BIM and ISO 19650 Talk - Construction Claim & Alternative Dispute Resolution (ADR) Conference L2 i-Con - Review of Malaysia's Land Laws - Webinar on Sustainable Rating Tools as Ways to Enhance Your Project - ACF Webinar on Coronavirus Disease 2019 [COVID-19] (Temporary Measures) Act – Issues, Challenges and Way Forward in the Singapore Construction Industry - Webinar on Digitalization in Civil Infrastructure - Webinar on Drive Cost Savings & Improve Productivity in Construction – How to Bridge Project Collaboration in BIM and Site Execution - Webinar on Digital Transformation Journey
Datuk Seri Lau Kuan Kam	- Sustainability Strategy and Reporting
Ir. Kong Kam Loong	- LHAG – Companies IB Financial Distress: What About Employees? - LHAG – Downsizing: Boon or Bane for Employers? - Sharing Session: Bubbledeck Biaxial Precast Concrete Slab System - Sustainability in Construction Industry - The Importance of BIM & ISO 19650 Talk - Review of Malaysia's Land Laws - Regional Housing Conference
Dato' Ismail Bin Haji Omar	- Audit Oversight Board's Conversation with Audit Committees
Dato' Norasni Binti Ayob	- Audit Oversight Board's Conversation with Audit Committees - Mandatory Accreditation Programme (MAP)
Dato' Lim Siew Mei	- Seminar on Akta Standard Minimum Perumahan dan Kemudahan Pekerja 1990 - Seminar on Social Insurance Preferential Policies
Ooi Leng Chooi	- Malaysian Code on Corporate Governance 2021 ("MCCG 2021") Update - Key Amendment to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Director Appointment, Independence and Other Amendments - Audit Oversight Board's Conversation with Audit Committees

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.

PART III – 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 RC 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, subject to approval by the shareholders of the Company at the Annual General Meeting.

Disclosure

The aggregate remuneration of Directors for the financial year ended 30 June 2022 is as follows:-

Directors	Fees	Salaries	Bonus	Allowance	EPF	Socso	BIK	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Tan Sri Dato' Sri Chan Kong Choy	68	521	-	10	21	0	21	641
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	90	-	-	6	-	-	7	103
Dato' Sri Kuan Khian Leng	-	623	125	73	98	1	4	924
Datuk Seri Lau Kuan Kam	-	270	50	-	38	1	-	359
Ir. Kong Kam Loong	-	433	88	69	71	1	2	664
Dato' Ismail Bin Haji Omar	42	-	-	2	-	-	-	44
Dato' Norasni Binti Ayob[1]	20	-	-	4	-	-	-	24
Dato' Lim Siew Mei	172	-	-	2	-	-	-	174
Ooi Leng Chooi	42	-	-	8	-	-	-	50

[1] *Appointed on 16 December 2021*

Corporate Governance Overview Statement (Cont'd)

Disclosure (Cont'd)

Remuneration	Executive Directors	Non-Executive Directors
Below RM 50,000	-	3
RM 100,001 to RM 150,000	-	1
RM 150,001 to RM 200,000	-	1
RM 350,001 to RM 400,000	1	-
RM 600,001 to RM 650,000	1	-
RM 650,001 to RM 700,000	1	-
RM 900,001 to RM 950,000	1	-

The aggregate remuneration of Senior Management personnel for the financial year ended 30 June 2022 is as follows:-

Remuneration	Senior Management
RM 400,001 to RM 450,000	1
RM 600,001 to RM 650,000	1
RM 650,001 to RM 700,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Composition of Audit Committee

The Board understands its role in upholding the integrity of financial reporting by the Company. The Board is assisted by the AC in governing its oversight of the Group's financial reporting, as well as the quality and integrity of its financial reporting. The quarterly results and audited financial statements are reviewed by the AC and the external auditors (for audited financial statements) and approved by the Board before being released to Bursa Securities.

The AC currently comprises of three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr Ooi Leng Chooi, the Independent Non-Executive Director, who is not the Chairman of the Board. All members of the AC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the AC. They also have sufficient understanding of the Company's businesses.

The composition of the AC, including its roles and responsibilities, are set out in the Report of the Audit Committee on page 94 to 96 of this Annual Report, which provides the details of the AC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016.

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 86 to 92.

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.

Compliance with the Malaysian Code on Corporate Governance

The Board at the best of its ability and knowledge to comply with the MCCG. The Board expects to continue to improve and enhance the procedures from time to time, especially in both corporate governance and internal control.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Framework to Manage Risks

The Board has the ultimate responsibility of approving the risk management framework as well as overseeing the Group's risk management and internal control framework.

In recognising the importance of risk management, the Group has established a risk management and internal controls framework to identify, evaluate, control, monitor and manage significant business risks faced by the Group on an ongoing basis. The Board through oversight of the RMC and reports received from this Committee, makes high level assessments of the key risks inherent in the Group and proposes or endorses mitigating measures for any identified risks, including business disruption risks and investment risks.

The Statement on Risk Management and Internal Control is set out on page 86 to 92 of this Annual Report, provides an overview of the state of risk management and internal control within the Group.

Internal Audit Function

The Internal Audit Function is set out on page 96 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

Periodic and Continuous Disclosure

The Board acknowledges the need for shareholders and other stakeholders to be informed of all material matters affecting the business and performance of the Company. Announcements to Bursa Securities are made on developments or events significantly affecting the Group. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of the Company's website at www.fajarbaru.com.my.

Company Website

The Company's website, www.fajarbaru.com.my provides detailed information on the Group's businesses and latest development. The website has a dedicated section on investor relations and corporate governance which contains announcements to Bursa Securities, quarterly financial results and annual reports, among others. In addition, the website also offers additional information which includes the Board and corporate information.

Shareholders and Investors Queries

Whilst the Company aims to provide sufficient information to shareholders and investors about the Company and its activities, it also recognises that shareholders and investors may have specific queries and require additional information.

To ensure that shareholders and investors can obtain all relevant information about the Group, they are encouraged to direct their queries to:

Investor Relations
Fajarbaru Builder Group Bhd
No. 61 & 63, Jalan SS6/12,
Kelana Jaya,
47301Petaling Jaya,
Selangor Darul Ehsan.
Tel: +603 – 7804 9698
Fax: +603 – 7804 3698 / 4849
Email : corporate@fajarbaru.com.my

II. CONDUCT OF GENERAL MEETINGS

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.

The minutes of the AGM and/or EGM (including the questions raised at the AGM/EGM and the answers thereto) were made available on the Company's website at www.fajarbaru.com.my.

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") pursuant to the Paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The Statement outlines the key features of risk management and internal control system of the Group during the year under review.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management practices and internal controls to safeguard shareholders' interest and assets of the Group. The Board also 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. By virtue of the nature of its business activities, the Board considers its strategic risk appetite and seeks to minimise risks at operational level.

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 MCCG.

In embracing Practice 10.1 of the MCCG, the Board has formalised 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 is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud. In achieving the Group's business objectives, the Board assumes its responsibilities in designing the system of risk management and internal control based on the ongoing process of identifying and prioritising risk, evaluating the likelihood of risks being realised and its impact should they be realised, and then, managing them effectively, efficiently, and economically.

The Management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess, and monitor strategic risks, business risks and internal controls, and to take responsive risk mitigation actions as and when needed.

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 Auditor 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

Risk Management Committee ("RMC") was established by the Board to undertake the responsibility of reviewing the development of risk management framework, align with business and operational requirements which supports the maintenance of a strong control environment. The Group has established an on-going process for identifying and documenting major risks, evaluating the potential impact and likelihood of their occurrence and mitigating controls. This process is reviewed by the RMC and the Board.

The Board recognised 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.

The Board oversight function in risk management assessment is assisted by RMC, chaired by an Independent Director and its members consist of Executive Directors and the Senior 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 Auditor 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.

Statement on Risk Management and Internal Control (Cont'd)

Risk Management Framework (Cont'd)

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.

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) Risk management should be embedded into day-to-day management processes and is explicitly applied in strategic planning and decision-making;
(v) Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level;
(vi) Monitor and review risk levels to ensure that risk exposure remains within an acceptable level; and
(vii) Regular reporting and monitoring activities emphasise the accountability and responsibility for managing risks.

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:-

Risk Management Framework (Cont'd)

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.

To strengthen the risk management framework, the RMC continuously enhances risk management practices and increases the scope across subsidiaries.

RMC met two (2) times during the financial year ended 30 June 2022 to review the Group's risk and any other matters that required the Board's approval.

INTERNAL CONTROL

The Internal Audit Department was established by the Board to undertake continuous testing and assessments on the adequacy and effectiveness of the risk management, internal control and governance processes in order to provide reasonable assurance that such systems continue to operate efficiently and effectively. 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.

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 Internal Auditor is placed under the direct supervision and authority of the Audit Committee to preserve its independence. The Internal Auditor reports functionally to the Audit Committee's Chairman and administratively to the Group Chief Executive Officer.

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".

Statement on Risk Management and Internal Control (Cont'd)

Key Processes (Cont'd)

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

- 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 Auditor;
- 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 Directors and head of department, meets at least once a month to review the Group's performance and to ensure that all functions within the organisation 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 for decision through the Group Chief Executive Officer / Group Executive Directors.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

- 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, authorisation 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;
- Appropriate authority limits are established for the approval process, therefore minimising the risk of unauthorised transactions;
- 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;

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

- Human resource function sets out clearly defined process for recruitment, training and staff appraisal to ensure that staff is competent and adequately trained in carrying out their responsibilities;
- 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;
- Whistle-Blowing Policy was established to provide avenue for whistle-blowing report and to promote good corporate governance; and
- 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 Group.

EFFECTIVENESS OF INTERNAL CONTROL

The review and assurance of the system of internal control is an ongoing process. It is continuously reviewed by the Internal Auditor and Audit Committee. Weaknesses and incidents of non-compliance with policies and procedures are highlighted to the management for its further improvement actions to achieve business objectives.

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.

The Board has received assurance from the Group Chief Executive Officer, Group Executive Directors and Finance Director that the Group's risk management and internal control system is operating adequately and effectively for the financial year under review, in all material aspects, based on the risk management and internal control system of the Group. 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.

Statement on Risk Management and Internal Control (Cont'd)

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, in reviewing the adequacy and effectiveness of the risk management and internal control system.

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 this Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses that would require disclosure in this Annual Report for the financial year ended 30 June 2022 up to the date of this Statement.

This Statement on Risk Management and Internal Control was approved by the Board on 20 October 2022.

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 2022 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 2022.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2022, 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
Dato' Ismail Bin Haji Omar (Member)	Independent Non-Executive Director	5/5
Dato' Norasni Binti Ayob (Member)[1]	Independent Non-Executive Director	2/2
Tan Sri Dato' Sri Chan Kong Choy (Member)[2]	Independent Non-Executive Director	3/3

[1] *Appointed on 16 December 2021*

[2] *Resigned on 16 December 2021*

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

1. Reviewed the audited financial statements for the year ended 30 June 2022 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 follow:

1. 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.
2. The Chairman shall be an Independent Non-Executive Director. No alternate director 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.

TERMS OF REFERENCE (Cont'd)

3. 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.

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 other matters 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 setting out the 7-year rotation and 3-year cooling off requirements. The Audit Committee carried out an annual review of the performance of External Auditors, 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 RM246,601 (Year 2021: RM216,835). 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; and
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.

Reports and Financial Statements

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 2022.

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	10,403	2,989
Attributable to:-		
Owners of the Company	8,984	2,989
Non-controlling interests	1,419	-
	10,403	2,989

DIVIDENDS

The Company paid an interim single-tier dividend of 1.00 sen per ordinary share amounting to approximately RM7,417,000 for the financial year ended 30 June 2022 on 28 December 2021.

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) the Company increased its issued and paid-up share capital from RM194,303,000 to RM221,534,000 by way of rights issue of 370,806,692 new ordinary shares of RM0.10 each in the Company together with 370,806,692 free warrants on the basis of 1 Warrant for every 1 Rights Share in the Company. The new ordinary shares issued rank equally in all respects with the existing ordinary shares 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 2022, the Company held a total of 3,075,764 treasury shares out of the total of 744,689,148 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.

ISSUE OF WARRANTS

During the financial year, the Company issued 370,806,692 warrants pursuant to the Rights Issue on the basis of 1 Warrant for every 1 Rights Share subscribed for by the entitled shareholders of the Company.

The warrants are valid for exercise for a period of 5 years from its issue date and will expire on 14 October 2026. During this period, each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 25 October 2021 to 14 October 2026, at an exercise price of RM0.43 per Warrant in accordance with the Deed Poll dated 8 September 2021. Any warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. During the financial year, no warrants were exercised.

Relevant details on the warrants are disclosed in Note 24 to the financial statements.

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.

Directors' Report (Cont'd)

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 there are no known bad debts 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 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.

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
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
Dato' Sri Kuan Khian Leng
Datuk Seri Lau Kuan Kam
Ir. Kong Kam Loong
Dato' Ismail Bin Haji Omar
Dato' Lim Siew Mei
Ooi Leng Chooi
Dato' Norasni Binti Ayob (Appointed on 16 December 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
Dato' Wong Siong Hwee (Appointed on 20 May 2022)
Wong Kar Hee (Appointed on 20 May 2022)

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 1.7.2021	Bought	Sold	At 30.6.2022
The Company				
Direct Interests				
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	28,260,600	30,162,000	-	58,422,600
Datuk Seri Lau Kuan Kam	2,605,453	2,780,747	-	5,386,200
Ir. Kong Kam Loong	105,800	105,800	-	211,600
Dato' Ismail Bin Haji Omar	17,269	-	-	17,269
Dato' Lim Siew Mei	3,714,980	5,085,120	-	8,800,100
Ooi Leng Chooi	16,900	16,900	-	33,800
Indirect Interests				
Tan Sri Dato' Sri Chan Kong Choy *	2,895,917	2,802,083	-	5,698,000
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon **	7,581,600	8,097,200	-	15,678,800
Dato' Sri Kuan Khian Leng ***	35,842,200	38,259,200	-	74,101,400
Datuk Seri Lau Kuan Kam ^	13,275,600	15,801,600	-	29,077,200
Dato' Lim Siew Mei #	3,148,000	6,700,700	-	9,848,700

	Number of Warrants			
	At 1.7.2021	Granted	Lapsed	At 30.6.2022
The Company				
Direct Interests				
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	-	30,162,000	-	30,162,000
Datuk Seri Lau Kuan Kam	-	2,780,747	-	2,780,747
Ir. Kong Kam Loong	-	105,800	-	105,800
Dato' Lim Siew Mei	-	4,165,220	-	4,165,220
Ooi Leng Chooi	-	16,900	-	16,900

DIRECTORS' INTERESTS (CONT'D)

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 (Cont'd):-

	Number of Warrants			
	At 1.7.2021	Granted	Lapsed	At 30.6.2022
The Company (Cont'd)				
Indirect Interests				
Tan Sri Dato' Sri Chan Kong Choy *	-	2,802,083	-	2,802,083
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon **	-	8,097,200	-	8,097,200
Dato' Sri Kuan Khian Leng ***	-	38,259,200	-	38,259,200
Datuk Seri Lau Kuan Kam ^	-	15,801,600	-	15,801,600
Dato' Lim Siew Mei #	-	4,125,100	-	4,125,100

* 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, spouse and sibling.

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

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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' REMUNERATION

The details of the directors' remuneration paid and payable to the directors of the Company during the financial year are as follows:-

	The Group RM'000	**The Company RM'000**
Executive:		
Non-fee emoluments:-		
- salaries, wages, bonus and allowances	2,271	-
- defined contribution plan	231	-
- others	14	-
	2,516	-
Non-executive:-		
Fees	409	273
	2,925	273

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.

AUDITORS

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

The auditors' remuneration of the Group and of the Company for the financial year were RM264,000 and RM79,000 respectively.

Signed in accordance with a resolution of the directors dated 20 October 2022.

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 113 to 231 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 2022 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 2022.

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 113 to 231 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 2022

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)

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 2022 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 113 to 231.

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 2022, 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.

Independent Auditors' Report (Cont'd)

To The Members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia)

Key Audit Matters (Cont'd)

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

Revenue Recognition and Inventories - Property Development Cost Refer to Notes 4.16(a), 4.25(c), 13 and 36 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
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. 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. 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.	Our procedures included, amongst others:- • 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.

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">Revenue recognition and contract assets and liabilities
Refer to Notes 4.13, 4.25(d), 16 and 36 to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td>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.

The recognition of revenue is therefore dependent on the Group's budgeted construction costs which includes estimates and judgements made by the management.

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.</td><td>Our procedures included, amongst others:-
• 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.</td></tr>
<tr><td colspan="2">Recoverability of trade receivables
Refer to Notes 4.14(a), 14, 53.1(b)(iii) to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td>As at 30 June 2022, trade receivables that were past due and not impaired amounted to RM38.707 million. The details of the trade receivables and their credit risk are disclosed in Note 14 and Note 53.1(b)(iii) to the financial statements.

The management recognised the allowance of impairment losses on trade receivables based on the following:-

1. Customers' payment and credit history; and
2. Specific known facts or circumstances on customers' ability to pay.

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.</td><td>Our procedures included, amongst others:-
• 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; and
• 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.</td></tr>
</table>

Independent Auditors' Report (Cont'd)

To The Members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia)

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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

Independent Auditors' Report (Cont'd)
To The Members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

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

Lee Kok Wai
02760/06/2024 J
Chartered Accountant

Kuala Lumpur

20 October 2022

Statements of Financial Position
As at 30 June 2022

	Note	The Group 30.6.2022 RM'000	The Group 30.6.2021 RM'000	The Company 30.6.2022 RM'000	The Company 30.6.2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	248,839	248,839
Investments in associates	6	20,318	14,630	20	20
Property, plant and equipment	7	29,869	33,981	3	*
Investment properties	8	45,103	45,359	-	-
Right-of-use assets	9	707	316	-	-
Investment securities	10	10,610	22,930	10,610	22,930
Intangible assets	11	348	215	-	-
Goodwill		7	7	-	-
Prepayments	12	10,979	12,872	-	-
Inventories	13	13,711	-	-	-
		131,652	130,310	259,472	271,789
CURRENT ASSETS					
Trade receivables	14	71,012	51,454	-	-
Other receivables, deposits and prepayments	12	24,431	21,660	2	3
Inventories	13	66,340	115,962	-	-
Contract cost assets	15	2,801	-	-	-
Contract assets	16	66,403	14,528	-	-
Amount owing by subsidiaries	17	-	-	38,539	19,674
Amount owing by associates	18	39,275	31,784	4	2,705
Short-term investments	19	101,608	40,577	43,707	20,576
Fixed deposits with licensed banks	20	9,397	10,149	-	-
Cash and bank balances	21	39,851	69,051	1,300	74
Current tax assets		8,526	9,379	-	53
		429,644	364,544	83,552	43,085
TOTAL ASSETS		561,296	494,854	343,024	314,874

Note:
* Amount less than RM500.

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

Statements of Financial Position
As At 30 June 2022 (Cont'd)

		The Group		The Company	
		30.6.2022	30.6.2021	30.6.2022	30.6.2021
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	221,534	194,303	221,534	194,303
Treasury shares	23	(1,655)	(1,655)	(1,655)	(1,655)
Warrant reserve	24	9,535	-	9,535	-
Other reserve	25	1,110	1,110	-	-
Fair value reserve	26	4,698	14,084	4,698	14,084
Foreign exchange translation reserve	27	(957)	(952)	-	-
Retained profits		155,759	148,896	108,734	107,866
Equity attributable to the owners of the Company		390,024	355,786	342,846	314,598
Non-controlling interests	5	12,328	12,623	-	-
TOTAL EQUITY		402,352	368,409	342,846	314,598
NON-CURRENT LIABILITIES					
Deferred tax liabilities	28	8,263	8,263	-	-
Long-term borrowings	29	3,639	1,491	-	-
		11,902	9,754	-	-
CURRENT LIABILITIES					
Trade payables	33	40,632	32,220	-	-
Other payables and accruals	34	23,216	27,183	100	276
Contract liabilities	16	7,750	5,600	-	-
Amount owing to an associate	18	28	23	-	-
Short-term borrowings	35	70,760	49,324	-	-
Current tax liabilities		4,656	2,341	78	-
		147,042	116,691	178	276
TOTAL LIABILITIES		158,944	126,445	178	276
TOTAL EQUITY AND LIABILITIES		561,296	494,854	343,024	314,874

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

Statements of Profit or Loss and Other Comprehesive Income

For The Financial Year Ended 30 June 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
REVENUE	36	190,165	153,113	3,319	9,406
COST OF FINISHED GOODS	37	(43,621)	(36,942)	-	-
OTHER INCOME	38	3,857	10,117	754	401
PROJECT EXPENSES		(113,340)	(70,938)	-	-
STAFF COSTS	39	(16,398)	(14,868)	(320)	(322)
DEPRECIATION	41	(785)	(852)	(3)	-
OTHER EXPENSES	42	(9,239)	(9,769)	(516)	(523)
PROFIT FROM OPERATIONS		10,639	29,861	3,234	8,962
FINANCE COSTS	43	(1,054)	(723)	(9)	*
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	44	13	705	-	-
		9,598	29,843	3,225	8,962
SHARE OF RESULT IN ASSOCIATES	6	5,693	7,111	-	-
PROFIT BEFORE TAXATION		15,291	36,954	3,225	8,962
INCOME TAX EXPENSE	45	(4,888)	(8,858)	(236)	(153)
PROFIT AFTER TAXATION		10,403	28,096	2,989	8,809
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss					
Fair value changes of equity instruments		(4,090)	28,766	(4,090)	28,766
		(4,090)	28,766	(4,090)	28,766

Note:

* Amount less than RM500.

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

Statements of Profit or Loss and Other Comprehesive Income
For The Financial Year Ended 30 June 2022 (Cont'd)

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
OTHER COMPREHENSIVE INCOME (CONT'D)					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		2	28	-	-
Share of other comprehensive expense of equity accounted associates		(7)	(253)	-	-
		(5)	(225)	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR		6,308	56,637	(1,101)	37,575
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		8,984	23,965	2,989	8,809
Non-controlling interests		1,419	4,131	-	-
		10,403	28,096	2,989	8,809
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO:-					
Owners of the Company		4,889	52,493	(1,101)	37,575
Non-controlling interests		1,419	4,144	-	-
		6,308	56,637	(1,101)	37,575
EARNINGS PER SHARE (SEN)					
- Basic	46	1.44	6.46		
- Diluted	46	1.44	6.46		

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

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other 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 RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group											
Balance at 1.7.2020		194,303	(1,655)	-	1,110	(1,222)	(714)	117,960	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

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

Statements of Changes In Equity
For The Financial Year Ended 30 June 2022 (Cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other 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 RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group (Cont'd)											
Contributions by and distribution to owners of the Company:											
- Dividends	46	-	-	-	-	-	-	(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.

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other 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 RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group (Cont'd)											
Balance at 1.7.2021		194,303	(1,655)	-	1,110	14,084	(952)	148,896	355,786	12,623	368,409
Profit after taxation for the financial year		-	-	-	-	-	-	8,984	8,984	1,419	10,403
Other comprehensive income for the financial year:											
- fair value changes of equity instruments		-	-	-	-	(4,090)	-	-	(4,090)	-	(4,090)
- share of other comprehensive expense of an equity accounted associate		-	-	-	-	-	(7)	-	(7)	-	(7)
- foreign currency translation		-	-	-	-	-	2	-	2	*	2
Total comprehensive income for the financial year		-	-	-	-	(4,090)	(5)	8,984	4,889	1,419	6,308

Note:
* Amount less than RM500

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

Statements of Changes In Equity
For The Financial Year Ended 30 June 2022 (Cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other 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 RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group (Cont'd)											
Contributions by and distribution to owners of the Company											
- Dividends	47	-	-	-	-	-	-	(7,417)	(7,417)	-	(7,417)
- Disposal of equity instrument		-	-	-	-	(5,296)	-	5,296	-	-	-
- Investment in a subsidiary		-	-	-	-	-	-	-	-	*	*
- Dividends paid to non-controlling interests by a subsidiary		-	-	-	-	-	-	-	-	(1,714)	(1,714)
- Proceeds from rights issue		27,231	-	9,535	-	-	-	-	36,766	-	36,766
Total transactions with owners		27,231	-	9,535	-	(5,296)	-	(2,121)	29,349	(1,714)	27,635
Balance at 30.6.2022		221,534	(1,655)	9,535	1,110	4,698	(957)	155,759	390,024	12,328	402,352

Note:
* Amount less than RM500

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

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant 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 Changes In Equity
For The Financial Year Ended 30 June 2022 (Cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
The Company (Cont'd)							
Balance at 1.7.2021		194,303	(1,655)	-	14,084	107,866	314,598
Profit after taxation for the financial year		-	-	-	-	2,989	2,989
Other comprehensive income for the financial year:							
- fair value changes of equity instruments		-	-	-	(4,090)	-	(4,090)
Total comprehensive income for the financial year		-	-	-	(4,090)	2,989	(1,101)
Contributions by and distribution to owners of the Company							
- Dividends	47	-	-	-	-	(7,417)	(7,417)
- Disposal of quoted investment		-	-	-	(5,296)	5,296	-
- Proceeds from rights issue		27,231	-	9,535	-	-	36,766
Total transactions with owners		27,231	-	9,535	(5,296)	(2,121)	29,349
Balance at 30.6.2022		221,534	(1,655)	9,535	4,698	108,734	342,846

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

Statements of Cash Flows

For The Financial Year Ended 30 June 2022

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation	15,291	36,954	3,225	8,962
Adjustments for:-				
Amortisation of intangible assets	34	1	-	-
COVID-19 related rent concessions received	(28)	(14)	-	-
Depreciation on property, plant and equipment	12,285	13,748	3	-
Depreciation on right-of-use assets	624	583	-	-
Dividend income	-	(345)	(2,665)	(9,015)
Interest expenses	1,075	760	9	-
Gain on disposal of property, plant and equipment, net	(133)	(209)	-	-
Interest income	(1,515)	(1,284)	(427)	(392)
Inventories written down	-	49	-	-
Impairment loss on trade receivables	-	345	-	-
Impairment loss on property, plant and equipment	-	757	-	-
Reversal of impairment loss on trade receivables	(13)	(1,050)	-	-
Property, plant and equipment written off	6	1,832	6	-
Share of result in associates	(5,693)	(7,111)	-	-
Unrealised loss/(gain) on foreign exchange	888	(1,569)	-	-
Operating profit/(loss) before working capital changes	22,821	43,447	151	(445)
Decrease/(Increase) in inventories	35,911	(2,115)	-	-
(Increase)/Decrease in trade and other receivables	(20,423)	(5,744)	1	341
(Increase)/Decrease in contract assets and liabilities	(49,725)	399	-	-
(Increase)/Decrease in contract cost assets	(2,801)	8,540	-	-
Increase in amount owing by subsidiaries company	-	-	(659)	(2,409)
Increase/(Decrease) in trade and other payables	4,445	(1,434)	(176)	9
CASH (FOR)/FROM OPERATIONS	(9,772)	43,093	(683)	(2,504)
Income tax paid	(1,720)	(7,570)	(105)	(159)
Interest paid	(43)	(41)	(9)	*
Interest received	1,037	507	43	76
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(10,498)	35,989	(754)	(2,587)

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

Statements of Cash Flows
For The Financial Year Ended 30 June 2022 (Cont'd)

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(17,822)	(524)
Addition in investment properties		(1,256)	(1,230)	-	-
Addition of intangible assets		(167)	-	-	-
Additional investments in an existing associate		-	(3,005)	-	-
Acquisition of an associate		(3)	-	-	-
Dividend received		-	345	2,665	9,015
Disposal of investment securities		8,230	16,437	8,230	16,437
Interest received		478	777	-	-
Proceeds from disposal of property, plant and equipment		189	209	-	-
Purchase of property, plant and equipment	48(a)	(3,802)	(6,285)	(12)	-
(Advances to)/Repayment from associates		(8,374)	599	2,701	598
Withdrawal of fixed deposits with licensed banks		752	2,452	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,953)	10,299	(4,238)	25,526

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

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds from rights issue		36,766	-	36,766	-
Dividends paid	47	(7,417)	(6,489)	(7,417)	(6,489)
Dividends paid to non-controlling interests by a subsidiary		(1,714)	(8,811)	-	-
Interest paid		(1,032)	(719)	-	-
Repayment of hire purchase	48(b)	(3,160)	(2,401)	-	-
(Repayment)/Drawdown of revolving credit, net	48(b)	(260)	25,000	-	-
Drawdown/(Repayment) of invoice financing facility, net	48(b)	2,905	(4,400)	-	-
Repayment lease liabilities, net	48(b)	(595)	(573)	-	-
Drawdown/(Repayment) of term loans, net	48(b)	3,806	(2,000)	-	-
Drawdown of bill discounting, net	48(b)	13,345	-	-	-
Drawdown of promissory note, net	48(b)	3,635	-	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		46,279	(393)	29,349	(6,489)
NET INCREASE IN CASH AND CASH EQUIVALENTS		31,828	45,895	24,357	16,450
EFFECT OF EXCHANGE DIFFERENCES		3	28	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		109,628	63,705	20,650	4,200
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48(c)	141,459	109,628	45,007	20,650

Note:
* 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 2022

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 2022.

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)
Amendment to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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.

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 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
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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:-

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment 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 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 amount of property, plant and equipment as at reporting date is disclosed in Note 7 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. 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. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

(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 13 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 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 14 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 (probability of default) and expected loss if a default happens (loss given default). 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. The carrying amounts of other receivables, amount 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax assets	8,526	9,379	-	53
Current tax liabilities	4,656	2,341	78	-

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(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 2022 (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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

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.

(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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

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).

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

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 2022. 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.

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.13 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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).

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

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.

4.15 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.

4.16 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 INVENTORIES (CONT'D)

(a) Property Development (Cont'd)

(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.

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

4.17 BORROWING COSTS

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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 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.

4.19 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 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.

4.21 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.

4.22 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 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.

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.

4.24 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 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.

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

Revenue is recognised at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Company will collect considerations to which it will be entitled to in exchange for the assets sold.

(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 on the proportion of construction costs incurred for work performed todate 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.

4.26 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME (CONT'D)

(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.

4.27 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. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost		
At 1 July 2021/2020	250,667	250,667
Addition during the financial year	-	*
At 30 June 2022/2021	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 2022 (Cont'd)

5. INVESTMENTS 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 2022 %	2021 %	Principal Activities
Subsidiaries of the Company				
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 timbers
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	100	Plantation
Fajarbaru Timber Sdn. Bhd. ("FTBSB")	Malaysia	100	100	Investment holding
Subsidiaries of the FLMSB				
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

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022	2021	
		%	%	
Subsidiaries of the FLMSB (Cont'd)				
Fajarbaru-Beulah (Melbourne) Pty. Ltd. ("FBM") @	Australia	51	51	Property development
FB Cemara Sdn. Bhd. ("FBCSB") #	Malaysia	100	-	Property development
Fajarbaru Real Development Sdn. Bhd. ("FRDSB") #	Malaysia	55	-	Property development
Subsidiary of the BVSB				
Smooth Accomplishment Sdn. Bhd.	Malaysia	51	51	Logging and trading of timbers
Subsidiary of the FTBSB				
Grand Achievement Sdn. Bhd. ("GASB")	Malaysia	70	51	Logging and trading of timbers
Subsidiary of the FPSB				
Fajarbaru Agriculture Sdn. Bhd. ("FASB")	Malaysia	91	-	Plantation

Note:

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

- The consolidation was done based on the management financial statements as the financial position, results and cash flows of these subsidiary companies are insignificant.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

During the current financial year, the Company completed the following incorporations:-

(a) On 28 March 2022, FPSB, a wholly-owned subsidiary of the Company, incorporated a subsidiary known as FASB with issued and paid-up capital of RM100 comprising 100 ordinary shares. FPSB subscribed for 91 ordinary shares, hence FASB became an 91%-owned subsidiary of the Company.

(b) On 29 April 2022, FLMSB, a wholly-owned subsidiary of the Company, incorporated a subsidiary known as FBCSB with issued and paid-up capital of RM100 comprising 100 ordinary shares. Following the completion of the subscription, FBCSB became a wholly-owned subsidiary of the Company.

(c) On 20 May 2022, FLMSB, a wholly-owned subsidiary of the Company, incorporated a subsidiary known as FRDSB with issued and paid-up capital of RM100 comprising 100 ordinary shares. FLMSB subscribed for 55 ordinary shares, hence FRDSB became an 55%-owned subsidiary of the Company.

In the previous financial year, the Company completed the following incorporations:-

(a) On 25 August 2020, the Company incorporated a subsidiary known as FPSB with issued and paid-up capital of RM1 comprising 1 ordinary shares. 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 FTBSB with issued and paid-up capital of RM100 comprising 100 ordinary shares. Following the completion of the subscription, FTBSB became a wholly-owned subsidiary of the Company.

(c) On 1 June 2021, FTBSB, 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. FTBSB subscribed for 51 ordinary shares, hence GASB became an 51%-owned subsidiary of the Company.

The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022 %	**2021 %**	**2022 RM'000**	**2021 RM'000**
BVSB Group	49	49	12,347	12,614
FBM	49	49	(19)	9
			12,328	12,623

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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	
	2022	2021
	RM'000	RM'000
At 30 June		
Non-current assets	11,104	13,059
Current assets	16,382	15,295
Current liabilities	(2,180)	(2,501)
Net assets	25,306	25,853
Financial Year Ended 30 June		
Revenue	15,096	22,669
Profit for the financial year/Total comprehensive income	2,954	8,028
Total comprehensive income attributable to non-controlling interests	1,447	3,933
Dividends paid to non-controlling interests	1,714	8,330
Net cash from operating activities	4,328	10,792
Net cash from investing activities	222	221
Net cash for financing activities	(3,518)	(17,067)

6. INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	3,028	3,025	20	20
Share of post-acquisition profit	17,290	11,605	-	-
	20,318	14,630	20	20

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

6. INVESTMENTS IN ASSOCIATES (CONT'D)

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Associates of the Company				
BFB Project Pty. Ltd. ("BFB") *	Australia	44	44	Property development
Beulah FB Fitzroy Pty. Ltd. ("BFBF")*	Australia	45	-	Property development
Kerjaya Jutamas Sdn. Bhd. ("KJSB")	Malaysia	20	20	Logging and trading of timbers
Subsidiary of the BFB				
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) The summarised financial information for each associate that is material to the Group is as follows:-

	BFB Group 2022 RM'000	BFB Group 2021 RM'000
At 30 June		
Non-current assets	59,699	-
Current assets	161,513	224,420
Non-current liabilities	(69,964)	(4,422)
Current liabilities	(101,750)	(174,597)
Non-controlling interests	(25,137)	(23,392)
Foreign currency reserve	-	(295)
Net assets	24,361	21,714

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised financial information for each associate that is material to the Group is as follows (Cont'd):-

	BFB Group	
	2022 RM'000	2021 RM'000
Financial Year Ended 30 June		
Revenue	172,399	325,702
Profit for the financial year	5,330	37,629
Non-controlling interests	(2,666)	(18,817)
Profit attributable to owners of the associate	2,664	18,812
Other comprehensive expense	(16)	(98)
Total comprehensive income	2,648	18,714
Group's share of profit for the financial year	1,184	8,360
Group's share of other comprehensive expense	(7)	(43)
Carrying amount of the Group's interests in this associate	10,827	9,650

	KJSB	
	2022 RM'000	2021 RM'000
At 30 June		
Non-current assets	27,353	30,611
Current assets	25,686	7,155
Non-current liabilities	(256)	(215)
Current liabilities	(5,320)	(12,648)
Net assets	47,463	24,903

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised financial information for each associate that is material to the Group is as follows (Cont'd):-

	KJSB	
	2022 RM'000	2021 RM'000
<u>Financial Year Ended 30 June</u>		
Revenue	68,007	17,819
Profit for the financial year/Total comprehensive income	26,960	1,067
Group share of profit for the financial year/Other comprehensive income	5,392	213
Dividend received	(880)	-
Carrying amount of the Group's interests in this associate	9,493	4,980

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2021 RM'000	Additions RM'000	Disposal/ Write off RM'000	Transfer From (Note 8) RM'000	Depreciation Charges RM'000	At 30.6.2022 RM'000
2022						
Carrying Amount						
Freehold land	4,006	107	-	1,512	-	5,625
Buildings	1,125	-	-	-	(31)	1,094
Plant and machinery	28,031	4,250	(56)	-	(11,746)	20,479
Motor vehicles	556	568	*	-	(343)	781
Furniture, fittings and office equipment	145	120	(6)	-	(100)	159
Renovations	116	17	-	-	(63)	70
Land development expenditure, fish pond and equipment	2	11	-	-	(2)	11
Immature bearer plants	-	1,650	-	-	-	1,650
Telecommunication equipment	*	-	-	-	-	*
	33,981	6,723	(62)	1,512	(12,285)	29,869

Note:
* Amount less than RM500.

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

The Group	At 1.7.2020 RM'000	Additions RM'000	Disposal/ Write off RM'000	Impairment RM'000	Depreciation Charges RM'000	At 30.6.2021 RM'000
2021						
Carrying Amount						
Freehold land	4,006	-	-	-	-	4,006
Buildings	1,156	-	-	-	(31)	1,125
Plant and machinery	34,433	9,197	(1,832)	(757)	(13,010)	28,031
Motor vehicles	1,086	-	-	-	(530)	556
Furniture, fittings and office equipment	153	82	-	-	(90)	145
Renovations	201	-	-	-	(85)	116
Land development expenditure, fish pond and equipment	4	-	-	-	(2)	2
Telecommunication equipment	*	-	-	-	-	*
	41,039	9,279	(1,832)	(757)	(13,748)	33,981

Note:
* Amount less than RM500.

The Company	At 1.7.2021 RM'000	Addition RM'000	Write Off RM'000	Depreciation Charge RM'000	At 30.6.2022 RM'000
2022					
Carrying Amount					
Office equipment	*	12	(6)	(3)	3

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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			
Carrying Amount			
Office equipment	*	-	*

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
The Group				
2022				
Freehold land	7,849	-	(2,224)	5,625
Buildings	1,526	(432)	-	1,094
Plant and machinery	76,945	(55,709)	(757)	20,479
Motor vehicles	8,093	(7,312)	-	781
Furniture, fittings and office equipment	2,085	(1,926)	-	159
Renovations	1,477	(1,407)	-	70
Land development expenditure, fish pond and equipment	59	(48)	-	11
Immature bearer plants	1,650	-	-	1,650
Telecommunication equipment	20	(20)	-	*
	99,704	(66,854)	(2,981)	29,869

Note:
* Amount less than RM500.

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

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
The Group				
2021				
Freehold land	6,230	-	(2,224)	4,006
Buildings	1,526	(401)	-	1,125
Plant and machinery	72,764	(43,976)	(757)	28,031
Motor vehicles	8,490	(7,934)	-	556
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
Telecommunication equipment	20	(20)	-	*
	92,516	(55,554)	(2,981)	33,981
The Company				
2022				
Office equipment	14	(11)	-	3
2021				
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 RM2,086,000 (2021 - RM2,105,000) which have been pledged to a licensed bank as security for bank guarantees granted to the Group.

(b) Included in the property, plant and equipment were plant and machinery, and motor vehicles with a total carrying amount of RM8,881 (2021 - RM6,264) and RM702 (2021 - RM417) respectively held under hire purchase arrangements. These assets have had been pledged as security for the hire purchase payables as disclosed in Note 31 to the financial statements.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

8. INVESTMENT PROPERTIES

	The Group 2022 RM'000	2021 RM'000
At cost:-		
At 1 July 2021/2020	45,971	44,741
Add: Additional Cost	1,256	1,230
Less: Transfer to property, plant and equipment (Note 7)	(1,512)	-
Less: Accumulated impairment losses	(612)	(612)
At 30 June 2022/2021	45,103	45,359
Fair value	53,209	53,209

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 1.7.2021 RM'000	Additions RM'000	Depreciation Charges RM'000	At 30.6.2022 RM'000
2022				
Carrying Amount				
Plant and machinery	316	480	(493)	303
Office equipment	-	16	(1)	15
Shop lots	-	519	(130)	389
	316	1,015	(624)	707

9. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.7.2020 RM'000	Depreciation Charges RM'000	At 30.6.2021 RM'000
2021			
Carrying Amount			
Plant and machinery	899	(583)	316

The Group leases certain plant and machinery, office equipment and shop lots of which the leasing activities are summarised below:-

(i)	Plant and Machinery	The Group leases 3 (2021 – 2) plant and machinery for a period of 2 (2021 – 2) years.
(ii)	Office equipment	The Group leases 1 office equipment for a period of 5 years.
(iii)	Shop lots	The Group leases 3 shop lot units for a period of 1 year, with an option to renew the lease after that date.

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.

10. INVESTMENT SECURITIES

	The Group/ The Company 2022 RM'000	2021 RM'000
Quoted shares, at fair value	10,610	22,930

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

11. INTANGIBLE ASSETS

	The Group	
	2022	2021
	RM'000	RM'000
Transferable club membership, at cost	375	208
Trademarks	10	10
	385	218
Accumulated amortisation:-		
At 1 July 2021/2020	(3)	(2)
Amortisation during the financial year	(34)	(1)
At 30 June 2022/2021	(37)	(3)
	348	215

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Non-current portion:-					
Prepayments	(a)	10,979	12,872	-	-
Current portion:-					
Other receivables					
- Third parties		1,049	597	1	2
- Joint operation	(b)	8,930	8,930	-	-
- Goods and services tax recoverable		7	7	-	-
		9,986	9,534	1	2
Advances to subcontractors		1,357	1,197	-	-
Deposits		6,065	7,333	1	1
Prepayments	(a)	7,023	3,596	*	*
		24,431	21,660	2	3
		35,410	34,532	2	3

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

	The Group	
	2022 RM'000	2021 RM'000
Other receivables	14,329	13,877
Allowance for impairment losses	(4,343)	(4,343)
	9,986	9,534

(a) Included in prepayments are advance payments of RM13,780,000 (2021 - RM15,808,000) 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	
	2022 %	2021 %
Name of a Joint Operation		
Beulah Northcote Land Pty. Ltd.	49	49

13. INVENTORIES

		The Group	
	Note	2022 RM'000	2021 RM'000
Non-current			
Land held for property development	13.1	13,711	-

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

13. INVENTORIES (CONT'D)

	Note	The Group 2022 RM'000	The Group 2021 RM'000
Current			
Timber:			
- work-in-progress		991	991
- finished goods		542	1,225
Property development costs	13.2	60,344	71,834
Completed development units		2,189	39,540
Others		2,274	2,372
		66,340	115,962

13.1 Land held for property development

	The Group 2022 RM'000	The Group 2021 RM'000
Cost:-		
At 1 July 2021/2020	-	-
Transferred from property development cost (Note 13.2)	13,371	-
At 30 June	13,371	-

Land held for property development cost are analysed as follows:-

	The Group 2022 RM'000	The Group 2021 RM'000
Freehold land	13,538	-
Development cost	173	-
	13,711	-

13. INVENTORIES (CONT'D)

13.2 Property development costs

	The Group 2022 RM'000	2021 RM'000
Cost:-		
At 1 July 2021/2020	71,834	109,841
Development costs incurred during the financial year	5,022	1,533
Cost transferred to cost to fulfil contract (Note 15)	(2,801)	-
Transferred to completed properties	-	(39,540)
Transferred to property development cost (Note 13.1)	(13,711)	-
	(16,512)	(39,540)
At 30 June	60,344	71,834

Property development cost are analysed as follows:-

	The Group 2022 RM'000	2021 RM'000
Freehold land at cost	45,329	55,394
Development costs	15,015	16,440
	60,344	71,834
Recognised in profit or loss:-		
Inventories recognised as cost of sales	49,294	32,801
Inventories written down	-	49

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

14. TRADE RECEIVABLES

	The Group	
	2022 RM'000	2021 RM'000
Trade receivables	91,951	72,406
Allowance for impairment losses	(20,939)	(20,952)
	71,012	51,454
Allowance for impairment losses:-		
At 1 July 2021/2020	(20,952)	(21,657)
Addition during the financial year (Note 44)	-	(345)
Reversal during the financial year (Note 44)	13	1,050
At 30 June 2022/2021	(20,939)	(20,952)

The Group's normal trade credit terms range from 30 to 90 days (2021 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

15. CONTRACT COST ASSETS

	The Group	
	2022 RM'000	2021 RM'000
Costs to fulfill a contract	2,801	-

The costs to fulfil a contract represented cost incurred that is used to fulfil the contract in future. The costs are to be amortised over the period, consistent with the pattern of recognition of the associated revenue.

16. CONTRACT ASSETS/(LIABILITIES)

	The Group 2022 RM'000	The Group 2021 RM'000
Contract Assets		
Contract assets in relation to:		
- construction	76,147	24,272
Allowance for impairment losses	(9,744)	(9,744)
	66,403	14,528
Allowance for impairment losses:-		
At 30 June/1 July 2021/2020	(9,744)	(9,744)
Contract Liabilities		
Contract liabilities in relation to:		
- property development	(2,153)	-
- construction	(5,597)	(5,600)
	(7,750)	(5,600)

(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 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

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

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	8,928	9,327
Revenue recognised in profit or loss during the financial year	114,117	128,400
Billings to customers during the financial year	(70,789)	(131,099)
Retention sum	6,397	2,300
At 30 June	58,653	8,928
Represented by:-		
Contract assets	66,403	14,528
Contract liabilities	(7,750)	(5,600)
	58,653	8,928

(d) The amount disclosed include provision for liquidated ascertained damages ("LAD") amounting to RM8,290,000 (2021 - 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 RM698,385,000 (2021 - RM294,080,000). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2022 RM'000	2021 RM'000
Within 1 year	338,347	96,555
Between 2 and 5 years	360,038	197,525
	698,385	294,080

17. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2022	2021
	RM'000	RM'000
Amount owing by:-		
Trade balances	1,599	940
Non-trade balances:		
- Interest-bearing at 1.58% to 6.12% (2021 - 1.58%) per annum	36,936	18,730
- Interest-free	4	4
	38,539	19,674

(a) The trade balances are subject to the normal credit term of 60 (2021 - 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unit trusts in Malaysia, at fair value	101,608	40,577	43,707	20,576

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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 1.55% to 2.10% (2021 - 1.30% to 1.85%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2021 - 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 RM9,397,000 (2021 - RM10,149,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

21. CASH AND BANK BALANCES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	39,256	53,957	1,300	74
Cash held under housing development accounts	595	15,094	-	-
	39,851	69,051	1,300	74

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			
	2022	2021	2022	2021
	Number Of Shares		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July 2021/2020	373,882,456	373,882,456	194,303	194,303
Issuance of new shares pursuant to rights issue	370,806,692	-	27,231	-
At 30 June	744,689,148	373,882,456	221,534	194,303

22. SHARE CAPITAL (CONT'D)

(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 financial year, the Company increased its issued and paid-up share capital from RM194,303,000 to RM221,534,000 by way of rights issue of 370,806,692 new ordinary shares of RM0.10 each in the Company together with 370,806,692 free warrants on the basis of 1 Warrant for every 1 Rights Share in the Company. The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

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.

As at 30 June 2022, the Company held a total of 3,075,764 treasury shares out of the total of 744,689,148 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(6) of the Companies Act 2016.

24. WARRANT RESERVE

Warrants 2021/2026 ("Warrants C")

On 15 October 2021, the Company issued a rights issue of 370,806,692 new ordinary shares of RM0.10 each with 370,806,692 free detachable new warrants on the basis of one (1) rights share and one (1) warrant for every one (1) existing ordinary shares held in the Company at an exercise price of RM0.43 per warrant. These warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 25 October 2021.

The salient terms of the warrants C are as follows:-

(i) The exercise period commenced on the date of issue of the warrants and will expire five years from the date of issuance. 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 8 September 2021.

(iii) The exercise price is RM0.43 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

24. WARRANT RESERVE (CONT'D)

Warrants 2021/2026 ("Warrants C") (Cont'd)

The movement of the Company's warrants are as follows:

	The Group/ The Company 2022 Number of Warrants	2022 RM'000
At 1 July 2021	-	-
Issue during the financial year	370,806,692	9,535
At 30 June	370,806,692	9,535

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.

26. 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.

27. 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.

28. DEFERRED TAX LIABILITIES

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Deferred tax liabilities		
At 1 July 2021/2020	(8,263)	(7,774)
Recognised in profit or loss (Note 45)	-	(455)
Effect of foreign currency translation differences	-	(34)
As at 30 June	(8,263)	(8,263)

The components of the deferred tax assets and liabilities during the financial year are as follows:-

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Deferred tax assets:-		
Others	2,344	2,344
Deferred tax liabilities:-		
Investment properties	(4,626)	(4,626)
Accelerated capital allowances	(5,981)	(5,981)
	(10,607)	(10,607)

29. LONG-TERM BORROWINGS

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Lease liabilities (Note 30)	148	-
Hire purchase payables (Note 31)	2,198	1,491
Term loans (Note 32)	1,293	-
	3,639	1,491

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

30. LEASE LIABILITIES

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	332	919
Addition	1,015	-
COVID-19 related rent concessions received	(28)	(14)
Interest expense recognised in profit or loss	35	37
Repayment of principal	(595)	(573)
Repayment of interest expense	(35)	(37)
At 30 June	724	332
Analysed by:-		
Current liabilities (Note 35)	576	332
Non-current liabilities (Note 29)	148	-
	724	332

31. HIRE PURCHASE PAYABLES

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	4,375	3,782
Addition	2,921	2,994
Interest expense recognised in profit or loss	249	303
Repayment of principal	(3,160)	(2,401)
Repayment of interest expense	(249)	(303)
At 30 June	4,136	4,375
Analysed by:-		
Current liabilities (Note 35)	1,938	2,884
Non-current liabilities (Note 29)	2,198	1,491
	4,136	4,375

32. TERM LOANS

	The Group	
	2022	2021
	RM'000	RM'000
Current liabilities (Note 35)	2,513	-
Non-current liabilities (Note 29)	1,293	-
	3,806	-

The term loans are secured by a corporate guarantee of the Company.

33. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2021 - 30 to 90) days.

Included in the trade payables of the Group at the end of the reporting period is an amount of RM9,062,000 (2021 - RM9,151,000) being project retention sums to be settled in accordance with the terms of the respective contracts.

34. OTHER PAYABLES AND ACCRUALS

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Other payables		1,611	5,267	10	143
Accruals		18,855	20,984	90	133
Deposits received from subcontractors	(a)	2,750	932	-	-
		23,216	27,183	100	276

(a) These deposits have been received from the subcontractors engaged by the Group to carry out the constructions.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

35. SHORT-TERM BORROWINGS

	The Group 2022 RM'000	The Group 2021 RM'000
Lease liabilities (Note 30)	576	332
Term loans (Note 32)	2,513	-
Hire purchase payables (Note 31)	1,938	2,884
Invoice financing facility	4,013	1,108
Revolving credit	44,740	45,000
Bill discounting	13,345	-
Promissory note	3,635	-
	70,760	49,324

(a) The invoice financing facility, revolving credit, bill of discounting and promissory note are secured by:-

(i) a corporate guarantee of the Company; and

(ii) a specific debenture over 3 units of refurbished Self-Climbing Platform System Equipment of the Company.

(b) The short-term borrowings of the Group at the end of the reporting period bore interest rates as below:-

	The Group 2022 %	The Group 2021 %
Lease liabilities	5.89 - 5.98	5.72
Term loans	5.06	-
Hire purchase payables	3.60 - 6.57	4.88 - 6.57
Revolving credit	4.56 - 4.61	3.94
Invoice financing facility	3.68 - 4.06	3.45 - 4.01
Bill discounting	3.68 - 3.70	-
Promissory note	3.85 - 4.07	-

36. REVENUE

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from Contracts with Customers				
Recognised over time				
Construction contracts	114,055	84,959	-	-
Rental income	3,943	-	-	-
Property development	62	43,441	-	-
Management fee	52	32	345	309
	118,112	128,432	345	309
Recognised at a point in time				
Completed properties	54,329	-	-	-
Trading	15,578	23,087	-	-
Services	957	1,167	-	-
Investment fund income	309	82	309	82
Dividend income	880	345	2,665	9,015
	72,053	24,681	2,974	9,097
	190,165	153,113	3,319	9,406

(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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

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.

38. OTHER INCOME

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
COVID-19-related rent concessions	28	14	-	-
Gain on disposal of property, plant and equipment	133	209	-	-
Gain on foreign exchange:				
- unrealised	-	1,569	-	-
Gain on investment funds:				
- realised	141	1	44	-
- unrealised	435	9	283	9
Interest income:				
- licensed banks	208	255	-	-
- short-term highly liquid investment bank	25	52	-	-
- short-term investments	245	470	43	76
- subsidiaries	-	-	384	316
- overdue interest	1,037	507	-	-
Insurance claims received	144	6,090	-	-
Management fees	120	120	-	-
Others	1,341	821	-	-
	3,857	10,117	754	401

39. STAFF COSTS

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, bonus and allowances	24,680	21,026	273	256
Defined contribution plan	2,862	2,240	-	-
Other staff related expenses	1,419	1,492	47	66
	28,961	24,758	320	322
Less: Amount classified as:				
- cost of finished goods	(1,293)	(1,452)	-	-
- project expenses	(11,270)	(8,438)	-	-
	16,398	14,868	320	322

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM2,925,000 (2021 - RM1,811,000) and RM273,000 (2021 - RM256,000) respectively as disclosed in Note 40.

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Executive:-				
Non-fee emoluments:				
- salaries, wages, bonus and allowances	2,271	1,271	-	-
- defined contribution plan	231	153	-	-
- other emoluments	14	2	-	-
	2,516	1,426	-	-
Non-executive:-				
Fees	409	385	273	256
	2,925	1,811	273	256

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

41. DEPRECIATION

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of PPE	12,285	13,748	3	-
Depreciation of ROU	624	583	-	-
Depreciation of Intangible assets	34	1	-	-
	12,943	14,332	3	-
Less: Amount classified as project expenses	(12,158)	(13,480)	-	-
	785	852	3	-

42. OTHER EXPENSES

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Included in other expenses are:				
Auditors' remuneration:				
- audit fee:				
- Crowe Malaysia PLT				
- statutory audit for the financial year	264	269	79	84
- overprovision in the previous financial year	(2)	(25)	-	(22)
- non-audit fee:				
- Crowe Malaysia PLT	5	5	5	5
Impairment loss on property, plant and equipment	-	757	-	-
Inventories written down	-	49	-	-
Rental of premises	7	42	-	-
Property, plant and equipment written off	6	1,832	6	-
Unrealised loss on foreign exchange	888	-	-	-

43. FINANCE COSTS

	The Group	
	2022	2021
	RM'000	RM'000
Interest expenses on:		
- invoice financing	61	88
- term loans	85	19
- revolving credit	445	272
- lease liabilities	35	37
- hire purchase	249	303
- bill discounting	41	-
- promissory note	116	-
- others	43	41
	1,075	760
Less: Amount classifield as project expenses	(21)	(37)
	1,054	723

Note:
* Amount less than RM500.

44. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2022	2021
	RM'000	RM'000
Impairment losses:		
- trade receivables (Note 14)	-	345
Reversal of impairment losses:		
- trade receivables (Note 14)	(13)	(1,050)
	(13)	(705)

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

45. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense:				
- for the financial year	5,791	8,409	145	71
- (over)/underprovision in the previous financial year	(903)	(6)	91	82
	4,888	8,403	236	153
Deferred tax expense (Note 28):				
- relating to originating and recognition of temporary differences	-	99	-	-
- underprovision in the previous financial year	-	356	-	-
	-	455	-	-
	4,888	8,858	236	153

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation	15,291	36,954	3,225	8,962
Tax at the statutory tax rate of:-				
- Malaysia 24%	3,683	8,871	774	2,151
- Australia 30%	(18)	(3)	-	-

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 (Cont'd):-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax effects of:-				
Share of result in associates	(1,366)	(1,707)	-	-
Non-deductible expenses	2,273	1,249	57	95
Non-taxable gains	(839)	(408)	(686)	(2,175)
Deferred tax assets not recognised during the financial year	2,184	724	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(126)	(218)	-	-
(Over)/Underprovision of current tax in the previous financial year	(903)	(6)	91	82
Underprovision of deferred taxation in the previous financial year	-	356	-	-
Income tax expense for the financial year	4,888	8,858	236	153

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

45. INCOME TAX EXPENSE (CONT'D)

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets:				
- unutilised tax losses	19,984	11,896	-	-
- unabsorbed capital allowances	1,111	446	-	-
- depreciation in excess of capital allowance	478	591	-	-
- others	335	348	-	-
	21,908	13,281	-	-
Deferred tax liability:				
- accelerated capital allowances	(80)	(24)	-	-
	21,828	13,257	-	-

The unused tax losses are allowed to be utilised for 10 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

46. EARNINGS PER SHARE

	The Group	
	2022	2021
Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	8,984	23,965
Number of shares in issue as of 1 July 2021/2020	370,806,692	370,806,692
Effects through:		
- issuance of new shares pursuant to rights issue	252,961,278	-
Weighted average number of ordinary shares in issue (Basic)	623,767,970	370,806,692
Effect of warrants*	-	-

46. EARNINGS PER SHARE (CONT'D)

	The Group	
	2022	2021
Basic earnings per share (Cont'd)		
Weighted average number of ordinary shares in issue (Diluted)	623,767,970	370,806,692
Basic earnings per ordinary share attributable to owners of the Company (sen)	1.44	6.46
Diluted earnings per ordinary share attributable to owners of the Company (sen)	1.44	6.46

* The potential conversion of Warrants is anti-dilutive as their exercise price are higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of Warrants has been ignored in the calculation of dilutive earnings per share.

47. DIVIDENDS

	The Group/ The Company	
	2022 RM'000	2021 RM'000
Paid:-		
- interim single-tier dividend of 1.75 sen per ordinary share in respect of financial year ended 30 June 2021	-	6,489
- interim single-tier dividend of 1.00 sen per ordinary share in respect of financial year ended 30 June 2022	7,417	-
	7,417	6,489

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

48. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	6,723	9,279
Less: Acquired through hire purchase arrangements (Note (b) below)	(2,921)	(2,994)
	3,802	6,285

	The Group	
	2022 RM'000	2021 RM'000
Right-of-use assets		
Cost of right-of-use assets acquired	1,015	-
Less: Addition of new lease liabilities (Note (b) below)	(1,015)	-
	-	-

48. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Lease Liabilities RM'000	Hire Purchase RM'000	Term Loans RM'000	Revolving Credit RM'000	Invoice Financing RM'000	Bill Discounting RM'000	Promissory Note RM'000	Total RM'000
2022								
At 1 July 2021	332	4,375	-	45,000	1,108	-	-	50,815
Changes in Financing Cash Flows								
Proceeds from drawdown	-	-	5,021	195,202	10,348	26,767	16,478	253,816
Repayment of principal	(595)	(3,160)	(1,215)	(195,462)	(7,443)	(13,422)	(12,843)	(234,140)
Repayment of interest	(35)	(249)	(85)	(445)	(61)	(41)	(116)	(1,032)
	(630)	(3,409)	3,721	(705)	2,844	13,304	3,519	18,644
Non-cash Changes								
Acquisition of property, plant and equipment (Note (a) above)	-	2,921	-	-	-	-	-	2,921
Acquisition of new leases (Note (a) above)	1,015	-	-	-	-	-	-	1,015
Interest expense recognised in profit or loss (Note 43)	35	249	85	445	61	41	116	1,032
COVID-19-related rent concessions received	(28)	-	-	-	-	-	-	(28)
	1,022	3,170	85	445	61	41	116	4,940
At 30 June 2022	724	4,136	3,806	44,740	4,013	13,345	3,635	74,399

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

48. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Lease Liabilities RM'000	Hire Purchase RM'000	Term Loans RM'000	Revolving Credit RM'000	Invoice Financing RM'000	Total RM'000
2021						
At 1 July 2020	919	3,782	2,000	20,000	5,508	32,209
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	-	25,000	-	25,000
Repayment of principal	(573)	(2,401)	(2,000)	-	(4,400)	(9,374)
Repayment of interest	(37)	(303)	(19)	(272)	(88)	(719)
	(610)	(2,704)	(2,019)	24,728	(4,488)	14,907
Non-cash Changes						
Acquisition of property, plant and equipment (Note (a) above)	-	2,994	-	-	-	2,994
Interest expense recognised in profit or loss (Note 43)	37	303	19	272	88	719
COVID-19-related rent concessions received	(14)	-	-	-	-	(14)
	23	3,297	19	272	88	3,699
At 30 June 2021	332	4,375	-	45,000	1,108	50,815

48. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term investments (Note 19)	101,608	40,577	43,707	20,576
Fixed deposits with licensed banks (Note 20)	9,397	10,149	-	-
Cash and bank balances (Note 21)	39,851	69,051	1,300	74
	150,856	119,777	45,007	20,650
Less: Fixed deposits pledged to licensed banks (Note 20)	(9,397)	(10,149)	-	-
	141,459	109,628	45,007	20,650

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 2022 (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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Subsidiaries:				
- advances given	-	-	7,523	3,621
- management fees received	-	-	293	276
- dividend received	-	-	-	8,670
- management fees paid	-	-	17	17
Associate:				
- advances from	-	600	-	600
- advances given	10,927	-	-	-
- management fees received	172	33	52	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	
	2022 RM'000	2021 RM'000
Key management personnel		
Directors		
Salaries, wages, allowances and bonus	2,271	1,271
Defined contribution plan	231	153
Others	14	2
	2,516	1,426
Other key management personnel		
Salaries, wages, allowances and bonus	1,357	1,813
Defined contribution plan	114	202
Others	6	303
	1,477	2,318

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 2022 (Cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS

	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	The Group RM'000
2022								
Revenue								
External sales	54,391	117,998	482	1,241	15,096	957	-	190,165
Inter-segment sales	-	3,873	13,434	5,482	-	-	-	22,789
Total revenue	54,391	121,871	13,916	6,723	15,096	957	-	212,954
Consolidation adjustments								(22,789)
Consolidated revenue								190,165

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	The Group RM'000
2022								
Represented by:-								
Revenue recognised at a point of time								
- Trading	-	-	-	-	-	957	-	957
- Services	-	-	13,916	-	15,096	-	-	29,012
- Dividend income	-	-	-	2,899	-	-	-	2,899
Revenue recognised over time								
- Construction services	-	121,871	-	-	-	-	-	121,871
- Property development	54,391	-	-	-	-	-	-	54,391
- Services	-	-	-	3,824	-	-	-	3,824
	54,391	121,871	13,916	6,723	15,096	957	-	212,954
Consolidation adjustments								(22,789)
								190,165

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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		The Group RM'000
2022									
Results									
Segment profit	9,751	(2,233)	86	4,631	5,001	(437)	(436)		16,363
Depreciation	(177)	(332)	(5)	(20)	(67)	(181)	(3)		(785)
Other non-cash income	-	133	-	-	-	13	-	(a)	146
Other non-cash expenses	-	-	-	(894)	-	-	-	(b)	(894)
Interest income	42	1,385	20	43	25	-	-		1,515
Interest expense	(14)	(944)	(64)	-	(2)	(28)	(2)		(1,054)
Consolidated profit before taxation									15,291
Income tax expense									(4,888)
Consolidated profit after taxation									10,403

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	Adjustments and eliminations RM'000		The Group RM'000
2022										
Assets										
Additions to non-current assets	2,007	5,279	9	45	4	-	1,650	-	(c)	8,994
Segment assets	204,551	212,229	9,651	509,976	26,615	503	2,693	(404,922)	(d)	561,296
Liabilities										
Segment liabilities	49,226	132,022	6,896	32,011	2,190	907	3,108	(67,416)	(e)	158,944

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	The Group RM'000
2021								
Revenue								
External sales	38,737	84,959	418	459	22,669	1,167	-	148,409
Inter-segment sales	-	20,247	12,064	12,558	-	-	-	44,869
Total revenue	38,737	105,206	12,482	13,017	22,669	1,167	-	193,278
Consolidation adjustments								(40,165)
Consolidated revenue								153,113

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	The Group RM'000
2021								
Represented by:-								
Revenue recognised at a point of time								
- Trading	-	-	12,482	-	22,669	-	-	35,151
- Services	-	-	-	-	-	1,167	-	1,167
- Dividend income	-	-	-	9,597	-	-	-	9,597
Revenue recognised over time								
- Construction services	-	105,206	-	-	-	-	-	105,206
- Property development	38,737	-	-	-	-	-	-	38,737
- Services	-	-	-	3,420	-	-	-	3,420
	38,737	105,206	12,482	13,017	22,669	1,167	-	193,278
Consolidation adjustments								(40,165)
								153,113

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	The Group RM'000
2021								
Results								
Segment profit	15,585	7,850	(558)	5,345	9,933	(539)	(216)	37,400
Depreciation	(48)	(425)	(1)	(7)	(87)	(276)	(8)	(852)
Other non-cash income	-	209	-	1,569	1,050	-	-	(a) 2,828
Other non-cash expenses	-	(2,589)	-	-	(365)	(29)	-	(b) (2,983)
Interest income	76	1,042	38	76	52	-	-	1,284
Interest expense	(19)	(639)	(26)	-	(8)	(30)	(1)	(723)
Consolidated profit before taxation								36,954
Income tax expense								(8,858)
Consolidated profit after taxation								28,096

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

	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	Adjustments and eliminations RM'000		The Group RM'000
2021										
Assets										
Additions to non-current assets	1,230	9,178	3	5	26	-	67	-	(c)	10,509
Segment assets	200,056	189,331	6,558	468,627	27,644	650	730	(398,742)	(d)	494,854
Liabilities										
Segment liabilities	46,445	110,866	3,212	18,000	2,496	785	742	(56,101)	(e)	126,445

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

(a) Non-cash income consist of the following:-

	The Group	
	2022 RM'000	**2021 RM'000**
Gain on disposal of equipment	133	209
Reversal of impairment loss on trade receivables	13	1,050
Unrealised gain on foreign exchange	-	1,569
	146	2,828

(b) Non-cash expenses consist of the following:-

	The Group	
	2022 RM'000	**2021 RM'000**
Equipment written off	6	-
Impairment loss on trade receivables	-	345
Impairment loss on property, plant and equipment	-	2,589
Inventory written down	-	49
Unrealised loss on foreign exchange	888	-
	894	2,983

50. OPERATING SEGMENTS (CONT'D)

50.1 BUSINESS SEGMENTS (CONT'D)

(c) Additions to non-current assets consist of the following:-

	The Group	
	2022 RM'000	2021 RM'000
Freehold land	107	-
Plant and machinery	4,250	9,197
Motor vehicles	568	-
Furniture, fittings and office equipment	120	82
Renovations	17	-
Equipment	11	-
Immature bearer plants	1,650	-
Right-of-use assets	1,015	-
Investment properties	1,256	1,230
	8,994	10,509

(d) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	The Group	
	2022 RM'000	2021 RM'000
Inter-segment balances	(413,448)	(408,121)
Current tax assets	8,526	9,379
	(404,922)	(398,742)

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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	
	2022 RM'000	2021 RM'000
Inter-segment balances	(80,335)	(66,705)
Deferred tax liabilities	8,263	8,263
Current tax liabilities	4,656	2,341
	(67,416)	(56,101)

50.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	Revenue	
	2022 RM'000	2021 RM'000
Malaysia	190,165	153,113

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	
		2022 RM'000	2021 RM'000
Customer A	Construction	-	34,351
Customer B	Construction	93,282	48,690

51. CAPITAL COMMITMENT

	The Group	
	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	350	3,176

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	
	2022 RM'000	2021 RM'000
Performance and tender bond granted to contract customers	17,363	28,735

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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)

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:-

Foreign Currency Exposure

	AUD RM'000
The Group	
2022	
Financial Assets	
Other receivable	8,930
Amount owing by associate	39,257
	48,187
Financial Liability	
Bank overdraft	1
Other payables and accruals	38
	39
Net financial assets	48,148
Less: Net financial assets denominated in the Company's functional currency	(39)
Net currency exposure	48,109

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)

	AUD RM'000
The Group	
2021	
Financial Assets	
Other receivable	8,930
Amount owing by associate	29,058
Cash and bank balances	808
	38,796
Financial Liability	
Other payables and accruals	5
Net financial assets	38,791
Less: Net financial assets denominated in the Company's functional currency	(803)
Net currency exposure	37,988

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(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 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.

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	
	2022 **RM'000**	**2021** **RM'000**
Effects on Profit After Taxation		
Increase of 10%	11,222	6,351
Decrease of 10%	(11,222)	(6,351)

(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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(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:-

	2022	2021
Major concentration of credit risk	41%	70%
Number of customers	1	3

(ii) Maximum 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).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

.

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)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due except for the construction segment which default when the recoverable is unlikely to repay its debt to the Group in full or is more than 1 year past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2021 - 12 months) before the reporting 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 trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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)

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Collective Impairment RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2022				
Not past due	32,305	-	-	32,305
Past due:				
- less than 3 months	18,401	-	-	18,401
- 3 to 6 months	12,939	-	(315)	12,624
- over 6 months	65	-	(20)	45
- more than 1 year	28,241	(238)	(20,366)	7,637
	59,646	(238)	(20,701)	38,707
Trade receivables	91,951	(238)	(20,701)	71,012
Contract assets	76,147	(135)	(9,609)	66,403
	168,098	(373)	(30,310)	137,415

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)

Allowance for Impairment Losses (Cont'd)

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

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 14 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. 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 uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

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)

Other Receivables (Cont'd)

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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 (Non-trade Balances)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Group measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Group considers loans and advances to related companies have low credit risks. The Group assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the related companies does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the related companies.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is 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.

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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				
2022				
Non-derivative Financial Liabilities				
Trade payables	40,632	40,632	40,632	-
Other payables and accruals	20,466	20,466	20,466	-
Amount owing to an associate	28	28	28	-
Term loans	3,806	3,967	2,651	1,316
Lease liabilities	724	1,046	913	133
Hire purchase payables	4,136	4,183	1,926	2,257
Invoice financing facility	4,013	4,013	4,013	-
Revolving credit	44,740	44,740	44,740	-
Bill discounting	13,345	13,345	13,345	-
Promissory notes	3,635	3,635	3,635	-
	135,525	136,055	132,349	3,706

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (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				
2021				
Non-derivative Financial Liabilities				
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	332	338	338	-
Hire purchase payables	4,375	4,617	3,082	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

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
The Company			
2022			
Non-derivative Financial Liabilities			
Other payables and accruals	100	100	100
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	74,192	74,192
	100	74,292	74,292

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
The Company			
2021			
Non-derivative Financial Liabilities			
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

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.

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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Term loans	3,806	-
Lease liabilities	724	332
Hire purchase payables	4,136	4,375
Invoice financing facility	4,013	1,108
Revolving credit	44,740	45,000
Bill discounting	13,345	-
Promissory notes	3,635	-
	74,399	50,815
Less: Cash and cash equivalent (Note 48(c))	(141,459)	(109,628)
Net cash	(67,060)	(58,813)
Total equity attributable to the owners of the Company	390,024	355,786
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.

53. FINANCIAL INSTRUMENTS (CONT'D)

53.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022	
	The Group RM'000	**The Company RM'000**
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Short-term investments	101,608	43,707
Mandatorily at Fair Value Through Other Comprehensive Income		
Investment securities	10,610	10,610
Amortised Cost		
Trade receivables	71,012	-
Other receivables	9,979	1
Amount owing by subsidiaries	-	38,539
Amount owing by associates	39,275	4
Fixed deposits with licensed banks	9,397	-
Cash and bank balances	39,851	1,300
	169,514	39,844
Financial Liability		
Amortised Cost		
Term loans	3,806	-
Hire purchase payables	4,136	-
Trade payables	40,632	-
Other payables and accruals	20,466	100
Amount owing to an associate	28	-
Revolving credit	44,740	-
Invoice financing facility	4,013	-
Bill discounting	13,345	-
Promissory notes	3,635	-
	134,801	100

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2021 The Group RM'000	2021 The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Short-term investments	40,577	20,576
Mandatorily at Fair Value Through Other Comprehensive Income		
Investment securities	22,930	22,930
Amortised Cost		
Trade receivables	51,454	-
Other receivables	9,527	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
	171,965	22,455
Financial Liability		
Amortised Cost		
Hire purchase payables	4,375	-
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	-
	108,977	276

53. FINANCIAL INSTRUMENTS (CONT'D)

53.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	2022	
	The Group RM'000	**The Company RM'000**
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Investment fund income	309	309
Interest income	245	43
Fair value gain in financial assets measured at fair value through profit or loss	576	327
Mandatorily at Fair Value Through Other Comprehensive Income		
Fair value changes on equity instruments	(4,090)	(4,090)
Amortised Cost		
Impairment losses on trade receivables	13	-
Interest income	1,270	384
Loss on foreign exchange - unrealised	(888)	-
Financial Liability		
Amortised Cost		
Interest expenses	(1,040)	-

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

	2021	
	The Group RM'000	**The Company RM'000**
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Investment fund income	427	427
Interest income	470	76
Fair value gain in financial assets measured at fair value through profit or loss	10	10
Mandatorily at Fair Value Through Other Comprehensive Income		
Fair value changes on equity instruments	28,766	28,766
Amortised Cost		
Impairment losses on trade receivables	705	(132)
Interest income	814	316
Gain on foreign exchange - realised	1,569	-
Financial Liability		
Amortised Cost		
Interest expenses	(723)	*

Note:
* Amount less than RM500.

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	RM'000	RM'000
2022								
Financial Assets								
Investment securities	10,610	-	-	-	-	-	10,610	10,610
Short-term investments	101,608	-	-	-	-	-	101,608	101,608
Financial Liabilities								
Term Loans	-	-	-	-	3,806	-	3,806	3,806
Hire purchase	-	-	-	-	4,042	-	4,042	4,136
2021								
Financial Assets								
Investment securities	22,930	-	-	-	-	-	22,930	22,930
Short-term investments	40,577	-	-	-	-	-	40,577	40,577
Financial Liabilities								
Hire purchase	-	-	-	-	4,444	-	4,444	4,375

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.5 FAIR VALUE INFORMATION (CONT'D)

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	RM'000	RM'000
2022								
Financial Assets								
Investment securities	10,610	-	-	-	-	-	10,610	10,610
Short-term investments	43,707	-	-	-	-	-	43,707	43,707
2021								
Financial Assets								
Investment securities	22,930	-	-	-	-	-	22,930	22,930
Short-term investments	20,576	-	-	-	-	-	20,576	20,576

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) 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.

(ii) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2022 %	2021 %
Hire purchase payables	4.62 – 6.71	3.40 – 6.63

Notes To The Financial Statements
For The Financial Year Ended 30 June 2022 (Cont'd)

54. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
The Group		
30.6.2021		
Consolidated Statement of Financial Position (Extract):-		
<u>NON-CURRENT ASSETS</u>		
Property, plant and equipment	28,581	33,981
Investment properties	44,129	45,359
Right-of-use assets	6,997	316
<u>CURRENT ASSETS</u>		
Other receivables, deposits and prepayments	21,609	21,660
<u>NON-CURRENT LIABILITIES</u>		
Lease liabilities	1,491	-
Hire purchase payables	-	1,491
<u>CURRENT LIABILITIES</u>		
Lease liabilities	3,216	332
Hire purchase payables	-	2,884

54. COMPARATIVE FIGURES (CONT'D)

The following figures have been reclassified to conform with the presentation of the current financial year (Cont'd):-

	As Previously Reported RM'000	As Restated RM'000
The Group		
30.6.2021		
Consolidated Statement of Cash Flows (Extract):-		
Net cash from operating activities	35,321	35,989
Net cash from investing activities	8,752	10,299
Net cash from/(for) financing activities	1,822	(393)

LIST OF PROPERTIES
30 June 2022

Owned by:	Location	Tenure	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	26	4 Storey Shop Lot -(acquired in Oct 2005)	375	2,086
	59, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	26	4 Storey Shop Lot -(acquired in Oct 2013)	186	1,299

Owned by:	Location	Tenure	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	76 orchard homestead lots -(acquired in June 1994)	348,904	29,891
		Freehold	N/A	109 Bungalow Lots -(acquired in June 1994)	127,341	10,910
		Freehold	N/A	1 lot 4.33 acres commercial land Lot 8038 -(acquired in June 1994)	17,500	1,499
		99 years leasehold expiring 30.05.2096	N/A	1 lot 10 acres agriculture land PT3386 -(acquired in June 1994)	40,470	3,467
		Freehold	N/A	1 orchard homestead Lot 8006 -(acquired in April 2001)	6,852	140
		Freehold	N/A	1 orchard homestead Lot 8007 -(acquired in April 2001)	7,316	149

List of Properties
30 June 2022 (Cont'd)

Owned by:	Location	Tenure	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	1 orchard homestead Lot 7999 -(acquired in April 2001)	4,100	84
		Freehold	N/A	1 orchard homestead Lot 7989 -(acquired in April 2001)	4,098	84
		Freehold	N/A	1 orchard homestead Lot 8015 -(acquired in Feb 2003)	4,241	251
		Freehold	N/A	1 orchard homestead Lot 8010 -(acquired in Apr 2003)	6,857	406
		Freehold	N/A	1 orchard homestead Lot 8020 -(acquired in Jul 2003)	4,101	243

Owned by:	Location	Tenure	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 34235-34241 (PT 6117 – 6123), 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 103232-103233 (Lot7984 – 7985), Geran 103237 – 103241 (Lot 7989 – 7993), Geran 103243 (Lot 7995), Geran 103245 (Lot 7997), Geran 103247 (Lot 7999), Geran 103252-103255 (Lot 8004 - 8007), Geran 103257 (Lot 8009), Geran103260 (Lot 8012), Geran 103262 (Lot 8014), 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

* HM34126 – 34234 (Lot 6008 – 6116)

ANALYSIS OF SHAREHOLDINGS
as at 30 September 2022

LIST OF DIRECTORS' SHAREHOLDINGS

(as per Record of Register of Directors' Shareholdings)

Directors	No. of Shares (Direct)	%	No. of Shares (Indirect)		%
Tan Sri Dato' Sri Chan Kong Choy	-	-	5,698,000	(a)	0.77
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	58,422,600	7.88	15,678,800	(b)	2.11
Dato' Sri Kuan Khian Leng	-	-	74,101,400	(c)	9.99
Datuk Seri Lau Kuan Kam	5,386,200	0.73	30,620,100	(d)	4.13
Ir. Kong Kam Loong	211,600	0.03	-		-
Dato' Ismail Bin Haji Omar	17,269	0.00	-		-
Dato' Norasni Binti Ayob	-	-	-		-
Dato' Lim Siew Mei	8,800,100	1.19	9,848,700	(e)	1.33
Ooi Leng Chooi	33,800	0.00	-		-

LIST OF SUBSTANTIAL SHAREHOLDERS

(as per Record of Register of Substantial Shareholders)

Substantial Shareholders	No. of Shares (Direct)	%	No. of Shares (Indirect)		%
Tan Sri Datuk Ta Kin Yan	86,916,500	11.72	-		-
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	58,422,600	7.88	15,678,800	(b)	2.11

Notes:-

(a) 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 Jiaxiang and Chan Jiaheng.

(b) Deemed interest by virtue of Section 8 of the Companies Act, 2016 through Unique Bay Sdn. Bhd.

(c) 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.

(d) 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 Khoon Lan, and children, Lau Sin Nee and Lau Choon Xian, and his sibling Lau Foy Hang @ Lau Fay Hang.

(e) 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 30 SEPTEMBER 2022

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
Less than 100	989	19.48	43,263	0.01
100 – 1,000	583	11.48	197,567	0.03
1,001 – 10,000	1,545	30.43	7,985,234	1.08
10,001 – 100,000	1,512	29.78	50,957,088	6.87
100,001 to less than 5% of issued shares	446	8.78	557,764,632	75.21
5% and above of issued shares	2	0.04	124,665,600	16.81
TOTAL	**5,077**	**100.00**	**741,613,384**	**100.00**

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
as at 30 September 2022

No.	Names	Shareholdings	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	66,243,000	8.93
2.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUAN PENG CHING @ KUAN PENG SOON (7000855)	58,422,600	7.88
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MODERN DISCOVERY SDN BHD (PB)	36,643,356	4.94
4.	CHANG MEI YUN	33,424,000	4.51
5.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR IMPROVE PERFORMANCE INVESTMENTS LIMITED (418541)	22,836,826	3.08
6.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR GRAND CONTINENTAL WORLDWIDE LIMITED (417921)	22,678,694	3.06
7.	LAI HONG MUN	21,790,900	2.94
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	20,673,500	2.79
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-BCG)	19,661,000	2.65
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	16,576,200	2.24
11.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	15,678,800	2.11
12.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARY TAN @ TAN HUI NGOH (STF)	14,010,000	1.89
13.	TOP FUTURE HOLDINGS SDN BHD	12,773,200	1.72
14.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	9,204,904	1.24

List of Thirty (30) Largest Shareholders
as at 30 September 2022 (Cont'd)

No.	Names	Shareholdings	%
15.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW CHEE (PB)	8,608,300	1.16
16.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW MEI (PB)	7,861,900	1.06
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON	7,830,000	1.06
18.	LAU FOY HANG @ LAU FAY HANG	7,303,700	0.98
19.	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	6,903,760	0.93
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	6,523,300	0.88
21.	KENANGAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	6,451,400	0.87
22.	MAYLEX VENTURES SDN BHD	6,115,700	0.82
23.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	5,793,700	0.78
24.	LAU KUAN KAM	5,386,200	0.73
25.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	4,870,500	0.66
26.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR LONG RETURN INVESTMENTS LIMITED (418847)	4,540,700	0.61
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHOON LAN (E-SJA/SAM)	4,347,200	0.59
28.	TEO HWEE KHENG	4,331,600	0.58
29.	CHUA TIONG MOON	4,230,200	0.57
30.	YEW CHEE CHUNG	4,214,200	0.57

STATISTICS ON WARRANT HOLDINGS
as at 30 September 2022

Types of securities : Warrant 2021/2026

Date of Expiry : 14 October 2026

Voting Rights : One (1) vote per warrant in respect of a meeting of warrant holders

LIST OF DIRECTORS' WARRANT HOLDINGS
(as per Record of Register of Directors' Warrant holdings)

Director	No. of Warrants (Direct)	%	No. of Warrants (Indirect)		%
Tan Sri Dato' Sri Chan Kong Choy	-	-	2,802,083	(a)	0.76
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	30,162,000	8.13	8,097,200	(b)	2.18
Dato' Sri Kuan Khian Leng	-	-	38,259,200	(c)	10.32
Datuk Seri Lau Kuan Kam	2,780,747	0.75	20,109,200	(d)	5.42
Ir. Kong Kam Loong	105,800	0.03	-		-
Dato' Ismail Bin Haji Omar	-	-	-		-
Dato' Norasni Binti Ayob	-	-	-		-
Dato' Lim Siew Mei	4,165,220	1.12	4,125,100	(e)	1.11
Ooi Leng Chooi	16,900	0.00	-		-

Notes:-

(a) 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 Jiaxiang and Chan Jiaheng.

(b) Deemed interest by virtue of Section 8 of the Companies Act, 2016 through Unique Bay Sdn. Bhd.

(c) 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.

(d) 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 Khoon Lan, and children, Lau Sin Nee and Lau Choon Xian, and his sibling Lau Foy Hang@Lau Fay Hang.

(e) Deemed interest by virtue of Section 197 of the Companies Act, 2016 through her siblings, Dato' Lim Siew Chee and Dato' Lim Siew Mun.

DISTRIBUTION OF WARRANT HOLDINGS AS AT 30 SEPTEMBER 2022

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants held	% of Warrants held
Less than 100	30	1.84	1,601	0.00
100 – 1,000	101	6.18	44,263	0.01
1,001 – 10,000	503	30.80	2,830,240	0.76
10,001 – 100,000	669	40.97	25,036,727	6.75
100,001 to less than 5% of warrants	328	20.09	287,617,761	77.57
5% and above of warrants	2	0.12	55,276,100	14.91
TOTAL	**1,633**	**100.00**	**370,806,692**	**100.00**

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS
as at 30 September 2022

No.	Names	Warrant Holdings	%
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUAN PENG CHING @ KUAN PENG SOON (7000855)	30,162,000	8.13
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	25,114,100	6.77
3.	CHANG MEI YUN	17,256,200	4.65
4.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-BCG)	14,810,500	3.99
5.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MODERN DISCOVERY SDN BHD (PB)	12,584,378	3.39
6.	LAI HONG MUN	10,895,450	2.94
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	8,097,200	2.18
8.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARY TAN @ TAN HUI NGOH (STF)	7,000,000	1.89
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOP FUTURE HOLDINGS SDN BHD (E-SJA)	6,512,400	1.76
10.	TOP FUTURE HOLDINGS SDN BHD	6,386,600	1.72
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	5,000,000	1.35
12.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG MEE FAH @ FEDERICK CHONG	4,700,000	1.27
13.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	4,602,452	1.24
14.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR GRAND CONTINENTAL WORLDWIDE LIMITED (417921)	4,588,543	1.24

List of Thirty (30) Largest Warrant Holders
as at 30 September 2022 (Cont'd)

No.	Names	Warrant Holdings	%
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON	3,915,000	1.06
16.	LAU FOY HANG @ LAU FAY HANG	3,770,700	1.02
17.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW MEI (PB)	3,680,620	0.99
18.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN YIN PENG	3,600,000	0.97
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW CHEE (PB)	3,484,700	0.94
20.	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	3,434,880	0.93
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	3,261,657	0.88
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI YENG SUN	3,026,500	0.82
23.	LAU KUAN KAM	2,780,747	0.75
24.	LEE MEE KUEN	2,590,000	0.70
25.	KENANGAN NOMINEES (TEMPATAN) SDN BHD TAN POW CHOO @ WONG SENG ENG (EM1-CN)	2,500,000	0.67
26.	YAP PAK KIN	2,500,000	0.67
27.	HOO WAN FATT	2,475,500	0.67
28.	CHONG YEAN YAW	2,429,900	0.66
29.	YEW CHEE CHUNG	2,175,800	0.59
30.	WONG FOH SANG	2,162,700	0.58

This page is intentionally left blank.

FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)
(Incorporated in Malaysia)

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-EIGHTH ANNUAL GENERAL MEETING** of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 December 2022 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 Dato' Sri Kuan Khian Leng as Director of the Company		
Resolution 2	To re-elect Dato' Lim Siew Mei as Director of the Company		
Resolution 3	To approve Directors' fees amounting to RM396,000 for the period from 28th AGM until the next AGM, payable to Non-Executive Directors		
Resolution 4	To approve Directors' benefits up to an amount of RM66,000 for the period from 28th AGM until the next AGM, payable to Non-Executive Directors		
Resolution 5	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration		
Resolution 6	To approve the Continuation of office as Independent Director – Dato' Ismail Bin Haji Omar		
Resolution 7	To approve the Proposed Renewal of Share Buy-back Authority		

Dated this ________ day of __________________ , 2022.

____
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 2022 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.

Please fold here

Affix
Stamp
here

The Company Registrar
FAJARBARU BUILDER GROUP BHD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

Please fold here

FAJARBARU BUILDER GROUP BHD. 199301026907 (281645-U)
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

Scan the QR Code below to follow us on our social media