

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 MARCH 2023

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2023	Preceding Year Corresponding Quarter 31/03/2022	Changes	Current Year To Date 31/03/2023	Preceding Year Corresponding Period 31/03/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	46,660	42,454	10	151,221	120,751	25
Cost of Sales	(39,450)	(39,564)	0	(127,464)	(101,791)	25
Gross Profit	7,210	2,890	149	23,757	18,960	25
Other Income	972	1,088		2,669	1,600	
Interest Income	236	554		575	1,346	
Operating Expenses	(6,245)	(6,102)		(20,783)	(19,979)	
Finance Costs	(456)	(288)		(1,235)	(626)	
Share of results of associates	1,581	2,223		3,308	5,089	
Profit/(Loss) Before Tax	3,298	365	804	8,291	6,390	30
Tax Expenses	(1,920)	(1,162)		(4,699)	(3,652)	
Profit/(Loss) for the period	1,378	(797)	273	3,592	2,738	31
Profit/(Loss) attributable to :						
Owners of the Company	1,909	(381)	601	4,927	2,421	104
Non-controlling interest	(531)	(416)	28	(1,335)	317	-521
	1,378	(797)	273	3,592	2,738	31
Weighted average no. of shares ('000)	741,613	741,613		741,613	584,630	
(Loss)/Earnings per share attributable to Owners of the Company (sen)						
- Basic	0.26	(0.05)		0.66	0.41	
- Diluted	0.17	(0.03)		0.44	0.25	

(The unaudited Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 MARCH 2023

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2023	Preceding Year Corresponding Quarter 31/03/2022	Changes	Current Year To Date 31/03/2023	Preceding Year Corresponding Period 31/03/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	1,378	(797)	273	3,592	2,738	31
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	393	(589)		589	232	
Foreign currency translation						
- Gain/(loss) on currency translation	1	(75)		1	(394)	
Share of expenses of equity accounted associates	(301)	-		(764)	-	
Total Comprehensive income/(loss)	1,471	(1,461)	201	3,418	2,576	33
Total comprehensive income/(loss) attributable to :						
Owners of the Company	2,002	(1,045)	292	4,753	2,264	110
Non-controlling interest	(531)	(416)	28	(1,335)	312	-528
	1,471	(1,461)	201	3,418	2,576	33

(The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	(Unaudited)	(Audited)
	As At End of Current Quarter 31/03/2023	Financial Year Ended 30/06/2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	28,521	28,219
Right-of-use assets	1,088	707
Investment properties	45,192	45,103
Investment securities	11,199	10,610
Investment in associates	22,862	20,318
Intangible assets	371	348
Bearer plant	3,646	1,650
Inventories	13,711	13,711
Other receivables & prepayments	33,449	10,979
Goodwill	7	7
	160,046	131,652
Current assets		
Inventories	92,485	66,340
Trade receivables	61,357	106,351
Other receivables	26,814	25,039
Contract Assets	31,833	35,890
Tax recoverable	9,326	8,526
Amount due from associates	10,698	39,275
Short-term investments	92,852	101,608
Fixed deposits with licensed banks	6,926	9,397
Cash and bank balances	72,026	39,851
	404,317	432,277
TOTAL ASSETS	564,363	563,929
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	221,534	221,534
Treasury shares	(1,655)	(1,655)
Warrant reserves	9,535	9,535
Other reserves	1,110	1,110
Fair value reserves	5,287	4,698
Foreign currency translation reserves	(1,720)	(957)
Retained profits	153,270	155,759
Equity attributable to owners of the Company	387,361	390,024
Non-Controlling interests	11,442	12,328
TOTAL EQUITY	398,803	402,352
Non-current liabilities		
Deferred tax liabilities	8,263	8,263
Loans and borrowings	15,301	3,639
	23,564	11,902
Current liabilities		
Loans and borrowings	66,876	70,761
Trade payables	35,636	38,360
Other payables	21,156	35,870
Contract liabilities	13,686	-
Amount owing to associates	-	28
Amount owing to related parties	4,050	-
Provision of taxation	592	4,656
	141,996	149,675
TOTAL LIABILITIES	165,560	161,577
TOTAL EQUITY AND LIABILITIES	564,363	563,929
Net assets per share attributable to owners of the Company (RM)	0.5223	0.5259
No. of Shares issued (net of treasury shares)	741,613,384	741,613,384

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 31 MARCH 2023**

	End of Current Quarter 31/03/2023	End of Preceding Corresponding Quarter 31/03/2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	8,291	6,390
Adjustment for :		
Amortisation of intangible assets	(24)	1
Depreciation on property, plant and equipment	4,404	8,370
Depreciation on right-of-use assets	472	1,728
(Gain) / Loss on disposal of property, plant and equipment	(26)	(132)
Reversal of impairment loss on trade receivables	-	(13)
Interest income	(575)	(1,346)
Dividend income	(248)	(287)
Finance costs	1,235	626
Share of results of associates	(3,308)	(5,089)
(Gain) / Loss on foreign exchange rate	760	-
Unrealise (gain) / loss on foreign exchange differences	247	(557)
Write off of property, plant and equipment	3	5
Operating profit before working capital changes	11,231	9,696
Change in working capital		
(Increase)/Decrease in inventories	(28,230)	27,126
(Increase)/Decrease in receivables	20,749	(37,166)
Increase/(Decrease) in payables	(17,439)	(3,821)
Decrease/(Increase) in contract assets/liabilities	17,745	(11,420)
Cash generated from / (used in) operations	4,056	(15,585)
Taxes credit / (paid)	(9,564)	84
Interest paid	(1,204)	(594)
Interest received	37	939
Net cash flow (used in)/ generated from operating activities	(6,675)	(15,156)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	538	406
Dividend received	248	287
Net cash outflow for acquisition of associates	-	(3)
Proceeds from non-controlling interest	449	-
Proceeds from disposal of property, plant and equipment	62	188
Proceeds from disposal of other investment	-	8,230
Additional of right-of-use assets	(853)	(905)
Purchase of property, plant and equipment	(4,745)	(4,376)
Purchase of Club Membership	-	(167)
Repayment/(Advance) from related parties	4,050	-
Repayment/(Advance) from associates	27,542	(11,087)
Net cash generated from / (used in) investing activities	27,291	(7,427)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(31)	(32)
Dividends paid on ordinary shares	(7,416)	(7,416)
Dividend paid by subsidiary to non controlling interest	-	(1,715)
Net proceed from issuance of rights issue	-	15,779
Proceeds from exercise of warrants	-	21,302
Proceeds from hire purchase	-	2,921
Repayment of lease liabilities	387	(73)
Repayment of hire purchase	(596)	(2,295)
(Repayment)/Drawdown of loan and borrowings	7,987	11,220
Net cash generated from / (used in) financing activities	331	39,691
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,947	17,108
Effect of exchange rate changes on cash and cash equivalents	1	-
CASH AND BANK BALANCES AS AT 1 JULY	150,856	119,776
CASH AND BANK BALANCES AS AT 31 MARCH	171,804	136,884
Less Fixed deposit under lien	(6,926)	(10,247)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	164,878	126,637

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 31 MARCH 2023

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2022	221,534	(1,655)	1,110	9,535	4,698	(957)	155,759	390,024	12,328	402,352
Total comprehensive income/(loss) for the year	-	-	-	-	589	(763)	4,927	4,753	(1,335)	3,418
Transactions with owners										
Dividends	-	-	-	-	-	-	(7,416)	(7,416)	-	(7,416)
Additional acquisition of subsidiaries	-	-	-	-	-	-	-	-	449	449
As at 31 March 2023	221,534	(1,655)	1,110	9,535	5,287	(1,720)	153,270	387,361	11,442	398,803
As at 1 July 2021	194,303	(1,655)	1,110	-	14,084	(952)	148,896	355,786	12,623	368,409
Total comprehensive income/(loss) for the year	-	-	-	-	232	(389)	2,421	2,264	312	2,576
Transactions with owners										
Dividends	-	-	-	-	-	-	(7,416)	(7,416)	-	(7,416)
Interest by a subsidiary	-	-	-	-	-	-	-	-	(1,715.00)	(1,715)
Issue of ordinary shares:	-	-	-	-	-	-	-	-	-	-
- pursuant to rights issued	27,546	-	-	-	-	-	-	27,546	-	27,546
Issue of warrants	-	-	-	9,535	-	-	-	9,535	-	9,535
Disposal of quoted investment	-	-	-	-	(5,296)	-	5,296	-	-	-
As at 31 March 2022	221,849	(1,655)	1,110	9,535	9,020	(1,341)	149,197	387,715	11,220	398,935

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(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the Interim Financial Report

A1 Basis of preparation

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

A2 Changes of accounting policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2022, except for the adoption of the following Amendments to MFRSs and IFRIC Agenda Decision that are effective for the Group from 1 July 2022:

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standard and interpretations (including the consequential amendments) have no material impact on the Group’s financial statements.

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

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year ending 30 June 2023:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
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 16: Lease Liability in a Sales and Leaseback	1 January 2024
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
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3 Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 30 June 2022 was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's business operations were not affected by any significant seasonal or cyclical factors during the current quarter under review.

A5 Unusual items

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

A6 Changes in estimates

There were no material changes in estimates that have had any material effect on the results for the current quarter under review.

A7 Significant related party transactions

There were no significant related party transactions during the current quarter under review.

A8 Movement in debt and equity securities

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

The details of shares held as treasury shares for the financial period ended 31 March 2023 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 December 2022	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 31 March 2023	3,075,764	1,654,910

The shares purchased are being held as treasury shares in accordance with Section 127 (6) of the Companies Act, 2016.

A9 Dividend paid

There were no dividend paid during the current quarter.

A10 Carrying Amount of revalued property, plant and equipment

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the financial year ended 30 June 2022.

A11 Segmental reporting

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

9 months ended 31.03.23	Before Group's Eliminations							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000	Other RM'000	
Revenue									
External Sales	106,638	2,354	29,786	1,576	718	3,487	-	95	151,221
Inter-segment sales	24,820	-	-	9,840	-	43,997	-	-	-
Total revenue	131,458	2,354	29,786	11,416	718	47,484	-	95	151,221
Results									
Profit/(Loss) from operation	385	(1,025)	4,583	(288)	(271)	44,242	(370)	(749)	6,218
Finance costs	(1,112)	(45)	(510)	(88)	(16)	(326)	(70)	(8)	(1,235)
Share of results in associates	-	1,257	2,051	-	-	-	-	-	3,308
Profit/(Loss) before tax	(727)	187	6,124	(376)	(287)	43,916	(440)	(757)	8,291
Total assets									
Segment assets/ Consolidated total assets	207,677	51,095	182,322	8,316	333	522,425	4,724	177	564,363

A11 Segmental reporting (Cont'n)

	Before Group's Eliminations								Adjustment and Eliminations	Total
9 months ended 31.03.22	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000	Other RM'000	RM'000	RM'000
Revenue										
External Sales	62,549	6,885	49,940	368	683	326	-	-	-	120,751
Inter-segment sales	1,025	-	-	9,396	-	4,539	3	-	(14,963)	-
Total revenue	63,574	6,885	49,940	9,764	683	4,865	3	-	(14,963)	120,751
Results										
Profit/(Loss) from operation	(6,800)	1,516	4,892	(482)	(176)	2,840	(189)	-	326	1,927
Finance costs	(558)	(3)	(492)	(43)	(27)	(209)	(11)	-	717	(626)
Share of results in associates	-	4,017	1,072	-	-	-	-	-	-	5,089
Profit/(Loss) before tax	(7,358)	5,530	5,472	(525)	(203)	2,631	(200)	-	1,043	6,390
Total assets										
Segment assets/ Consolidated total assets	188,880	26,179	168,757	8,783	505	514,627	523	-	(374,027)	534,227

A12 Events subsequent to the balance sheet date

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

A13 Changes in composition of the Group

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

A14 Capital commitments

There were no capital commitments as at the end of the current quarter under review.

A15 Changes in contingent liabilities

	The Group		The Company	
	As at 31.03.23	As at 30.06.22	As at 31.03.23	As at 30.06.22
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	16,596	17,363	-	-

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

B1 Review of performance

	Individual Period (3rd quarter)			Cumulative Period		
	Current Year	Preceding Year Corresponding	Changes (%)	Current Year	Preceding Year Corresponding	Changes (%)
	Quarter 31/03/2023 (RM'000)	Quarter 31/03/2022 (RM'000)		To-date 31/03/2023 (RM'000)	Period 31/03/2022 (RM'000)	
Revenue	46,660	42,454	10	151,221	120,751	25
Profit/(loss) from operation	2,173	(1,570)	238	6,218	1,927	223
Profit/(loss) before interest and tax	3,754	653	475	9,526	7,016	36
Profit/(loss) before tax	3,298	365	804	8,291	6,390	30
Profit/(loss) after tax	1,378	(797)	273	3,592	2,738	31
Profit/(loss) attributable to Owners of the Company	1,909	(381)	601	4,927	2,421	104

The Group recorded a revenue of RM46.67 million in the current quarter as compared to RM42.45 million in the preceding year corresponding quarter. In the current quarter, the Group recorded a profit before tax of RM3.30 million as compared to profit before tax of RM0.37 million in the preceding year corresponding quarter. The higher revenue was mainly attributed from the Construction and Property Development segments while the higher profit before tax was contributed from the Property Development segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 March 2023 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year	Preceding Year Corresponding	Changes	Current Year	Preceding Year Corresponding	Changes
	Quarter 31/03/2023 (RM'000)	Quarter 31/03/2022 (RM'000)	(RM'000)	Quarter 31/03/2023 (RM'000)	Quarter 31/03/2022 (RM'000)	(RM'000)
<u>Segment</u>						
Construction	28,415	26,942	1,473	(2,755)	(4,294)	NM
Logging & timber trading	-	-	-	1,479	1,526	(47)
Property development	17,695	15,148	2,547	5,570	2,523	3,047
Trading	213	123	90	(68)	(40)	NM
Logistic	255	205	50	(197)	(101)	NM
Investment holding	29	36	(7)	(468)	842	(1,310)
Plantation	-	-	-	(135)	(91)	NM
Other	53	-	53	(128)	-	NM
Total	46,660	42,454		3,298	365	

* NM = Non-meaningful

Construction Segment

In the current quarter, the segment recorded a higher revenue of RM28.42 million as compared to RM26.94 million in the preceding year corresponding quarter. There is a lower loss before tax of RM2.76 million in the current quarter as compared to a loss before tax of RM4.29 million in the preceding year corresponding quarter.

The increase in revenue and decrease in loss before tax for the current quarter were mainly due to higher work progress in Duta Park project, in comparison with the preceding year corresponding quarter whereby construction activities were still recovering from Phase 4 of the National Recovery Plan. In addition to that, the higher

loss before tax in the preceding year corresponding quarter was also due to maintenance cost incurred during the Defect Liability Period for KTMB Package B project pending finalization of accounts.

Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded no revenue for current quarter and preceding year corresponding quarter. There is a decrease in the profit before tax of RM1.48 million in the current quarter as compared to a profit before tax of RM1.53 million in the preceding year corresponding quarter.

The segment recorded no revenue in the current quarter, as the Group has just started the preliminary activities on the new approved working block and its production will resume in due course. The lower profit before tax in the current quarter was mainly due to lesser contribution of profit from the Group's associate company.

Property Development Segment

The Property Development segment recorded a revenue of RM17.70 million in the current quarter as compared to RM15.15 million in the preceding year corresponding quarter. The profit before tax was RM5.57 million in the current quarter as compared to a profit before tax of RM2.52 million in the preceding year corresponding quarter.

The increase in revenue and profit before tax for the current quarter were due to the recognition of revenue from Vierra Residence @Kinrara is progressing as the construction work is making headway. Additionally, the number of units sold for this development had already achieve approximately 99%.

Trading and Logistic Segments

The Trading segment registered a revenue of RM0.21 million as compared to RM0.12 million in the preceding year corresponding quarter. The segment recorded a higher loss before tax of RM0.07 million as compared to a loss before tax of RM0.04 million in the preceding year corresponding quarter. The increase in revenue was due to higher purchase of construction materials for the Group's on-going projects in the Construction segment. The higher loss before tax in the current quarter was due to higher operating expenses.

The Logistic segment registered a revenue of RM0.26 million in the current quarter as compared to RM0.21 million in the preceding year corresponding quarter. The segment recorded a higher loss before tax of RM0.20 million in the current quarter as compared to a loss before tax of RM0.10 million in the preceding year corresponding quarter. The higher revenue in the current quarter was primarily attributed to the usual operations of the segment and not influence by any special events or circumstances. The higher loss before tax was mainly due to the higher maintenance cost incurred.

B2 Variation of result against preceding quarter

	Current Year Quarter 31/03/2023 (RM'000)	Immediate Preceding Quarter 31/12/2022 (RM'000)	Changes (%)
Revenue	46,660	67,874	(31)
Profit/(loss) from operation	2,173	739	194
Profit/(loss) before interest and tax	3,754	502	648
Profit/(loss) before tax	3,298	217	1421
Profit/(loss) after tax	1,378	(2,414)	157
Profit/(loss) attributable to Owners of the Company	1,909	(1,782)	207

In the current quarter ended 31 March 2023, the Group registered a lower revenue of RM46.66 million and a higher profit before tax of RM3.30 million as compared to a revenue of RM67.87 million and a profit before tax of RM0.22 million in the preceding quarter ended 31 December 2022.

The lower revenue for the current quarter was mainly due to the lower activities in the Construction segment. The higher profit before tax in the current quarter was mainly derived from share of results of the Group's associate company.

B3 Current year prospects

Malaysia's GDP recorded a growth of 5.6% in the first quarter of 2023 in comparison to a growth of 7.1% in the fourth quarter of 2022. According to Bank Negara's (BNM) latest report, the growth in the first quarter for 2023 was driven mainly by domestic demand. Malaysia's growth will remain resilient in 2023 and the economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. The annual growth will be supported by further expansion of household spending, continued investment activity, improved labour market conditions and higher tourism activities in the report by BNM.

The construction sector recorded a growth of 7.4% in the first quarter of 2023 as compared to 10.1% in the fourth quarter of 2022 as reported by BNM. The performance in this sector was contributed by positive growth in civil engineering (15.9%), specialised construction activities (8.7%) and non-residential buildings (6.4%). The Group's construction segment will continue to focus on its current projects such as Duta Park project and its own property development projects in the affordable housing segment. In March 2023, the Group won a construction contract for three blocks of condominium worth RM310.54 million from WCT Holdings Bhd's indirect subsidiary, Kekal Kirana Sdn Bhd and subsequently in April 2023, the Group was awarded a contract from Penang Development Corporation (PDC) to build three blocks of affordable apartments in Seberang Perai Selatan, Penang worth RM125.3 million. Both contracts are expected to contribute positively to the future earnings and net assets per share of the Group from the financial year ending 30 June 2023 and onwards. The Group have a current order book of approximately RM814.6 million (including RM240.3 million of internal project) and also tendering for new construction jobs in the private and government sectors amounting to RM6.1 billion.

The Group continue to remain focused on the planned developments of its property projects in Malaysia as part of its long-term growth strategy for its Property Development segment. Vierra Residence @Kinrara which is based on the concept of "Residensi Wilayah Keluarga Malaysia" (RUMAWIP) was launched in 2022 and the

number of units sold had achieved approximately 99%. Vierra Residence @Kinrara was awarded the GreenRE Silver Certification (Provisional) under the Residential Building and Landed Home category and was also awarded the Best Value High-Rise Development Category of Property Guru Asia Awards in partnership with iProperty. The Group will be developing its latest development named Desa Green located in Kuala Krai, Kelantan and the first phase is scheduled for launch in the second quarter of 2023 consisting of single storey terrace and single storey semi-detached houses. In Australia, the Group's third property development The Wilds located in Northcote, Melbourne, is set to be a benchmark in Environmentally Sustainable Design principles. It will become the first carbon-neutral detached housing development in inner Melbourne, with all houses 100 per cent electric and incorporating a solar panel array. The Group has also ventured into a new property development at Fitzroy, Melbourne and is currently applying for approval from the relevant authorities and is scheduled to launch in 2024.

In April 2023, the Group via its subsidiary Grand Achievement Sdn Bhd entered into two logging agreements with Lembaga Pemegang Amanah Yayasan Pahang for the approved land area measuring approximately 7,500 acres and 1,321 acres, respectively at Kuantan, Pahang. Thus far, the Group has a total of approximately 22,989 acres of working block through our subsidiaries and associate company and this will continue to contribute to the Group's earnings in the future.

The Group expanded its business into the plantation segment and foresee that this segment may generate good returns in the long term. The Group has ventured into plantation operations to carry out reforestation, fruit crops cultivation and plantation such as eucalyptus trees with approximately 600 acres of land located in Jerantut, Pahang. The Group will continue to explore options to identify suitable businesses or strategic acquisition and seek opportunities in the plantation segment.

Moving forward, the Group will continue its focus on Construction, Property Development, Logging and Timber Trading and Plantation segments to ensure sustainable revenue growth. The Group will continue to pursue and bid for prospective infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, as well as having excellent track record in completing railway projects on time, we are in a good position to bid for such jobs. In the Malaysia property segment, the Group is on the lookout to expand its property development footprints in the Klang Valley depending on market conditions. The Group endeavour to explore more business opportunities and capitalise our strengths to generate sustainable revenue from its existing or new businesses.

Barring any unforeseen circumstances, the Group is optimistic about its ability to continue to achieve satisfactory performance for the financial year ending 30 June 2023.

B4 Profit forecast

Not applicable as there was no profit forecast issued.

B5 Profit guarantee

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

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

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/03/2023 RM'000	3 months ended 31/03/2022 RM'000	9 months ended 31/03/2023 RM'000	9 months ended 31/03/2022 RM'000
Current period's provision	408	1,990	591	4,480
Under / (Over) provision for the prior years	1,512	(828)	1,512	(828)
	1,920	1,162	2,103	3,652
Tax paid for the prior years	-	-	2,596	-
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	1,920	1,162	4,699	3,652

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

B7 Purchase or disposal of quoted securities

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

Investment in quoted shares as at 31 March 2023 were as follows :

	RM'000
At cost	5,912
At market value - Shares	11,199

B8 Status of corporate proposals announced

There were no corporate proposal announced but not completed as at the current quarter under review.

B9 Status of Utilisation of Proceeds

Status of Utilisation of Proceeds as at 31 March 2023

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

** The proceeds for working capital will be utilised to finance the day-to-day operations of the Group's existing business segments.*

B10 Borrowings

The tenure of the Group borrowings classified as follows:-

	31 March 2023		31 March 2022	
	Short term	Long term	Short term	Long term
<u>Secured</u>	RM'000	RM'000	RM'000	RM'000
Term loan	1,293	12,929	4,434	-
Lease liabilities	341	771	259	-
Hire purchase	1,128	1,602	1,864	3,137
Invoice Finance	3,341	-	1,885	-
Revolving Credit	45,000	-	40,157	-
Bills Discounting	-	-	5,663	-
Promissory Note	15,773	-	5,190	-
	66,876	15,301	59,452	3,137

B11 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 March 2023.

B12 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 31/03/2023 RM'000
Not past due	53,697
Past due:	
- less than 3 months	1,740
- 3 to 6 months	747
- over 6 months	1,047
- more than 1 year	4,125
	61,357

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

B13 Material litigation

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

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

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

Pursuant to the Final Award in the matter of an Arbitration dated 30 December 2020, the Arbitrator has awarded and declared, among others, that the Respondent shall pay to the Claimant within 14 days from 23 February 2021 the sum of RM10,000,000.00.

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

On 28 October 2021, the Respondent's setting aside applications have been dismissed. No appeal has been filed by the Respondent.

On 31 October 2022, the Claimant has engaged solicitors in Singapore to enforce the Final Award against the Respondent in Singapore. The order was served on the Respondent on 10 November 2022. Efforts are now being made to obtain a bankruptcy order against the Respondent.

B14 Dividend

No dividend has been declared for the third quarter ended 31 March 2023.

B15 Earnings per share

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

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/03/2023 RM'000	3 months Ended 31/03/2022 RM' 000	9 months Ended 31/03/2023 RM000	9 months Ended 31/03/2022 RM'000
Net (loss)/profit attributable to Owners of the Company	1,909	(381)	4,927	2,421
Weighted Average Number of shares at the end of the period ('000)	741,613	644,881	741,613	507,844
Adjusted number of ordinary shares in issue and issuable ('000)	1,112,420	1,015,688	1,112,420	878,651
Basic earnings per share (sen)	0.26	(0.05)	0.66	0.41
Diluted earnings per share (sen)	0.17	(0.03)	0.44	0.25

B16 Profit before taxation

	Current Year Quarter 31/03/2023 RM'000 Unaudited	Current Year To-date 31/03/2023 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(236)	(575)
Dividend income	(28)	(100)
Depreciation	1,075	4,403
Interest expense	446	1,204
(Gain)/Loss on disposal of property, plant & equipment	-	(26)
(Gain)/Loss on foreign exchange	760	760
Unrealised (gain)/loss on foreign exchange	74	247
Unrealised (gain)/loss on investment fund	(413)	(982)

B17 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 25 May 2023.

By Order of the Board
Fajarbaru Builder Group Bhd

Tan Sri Dato' Sri Chan Kong Choy
Executive Chairman

Kuala Lumpur
25 May 2023