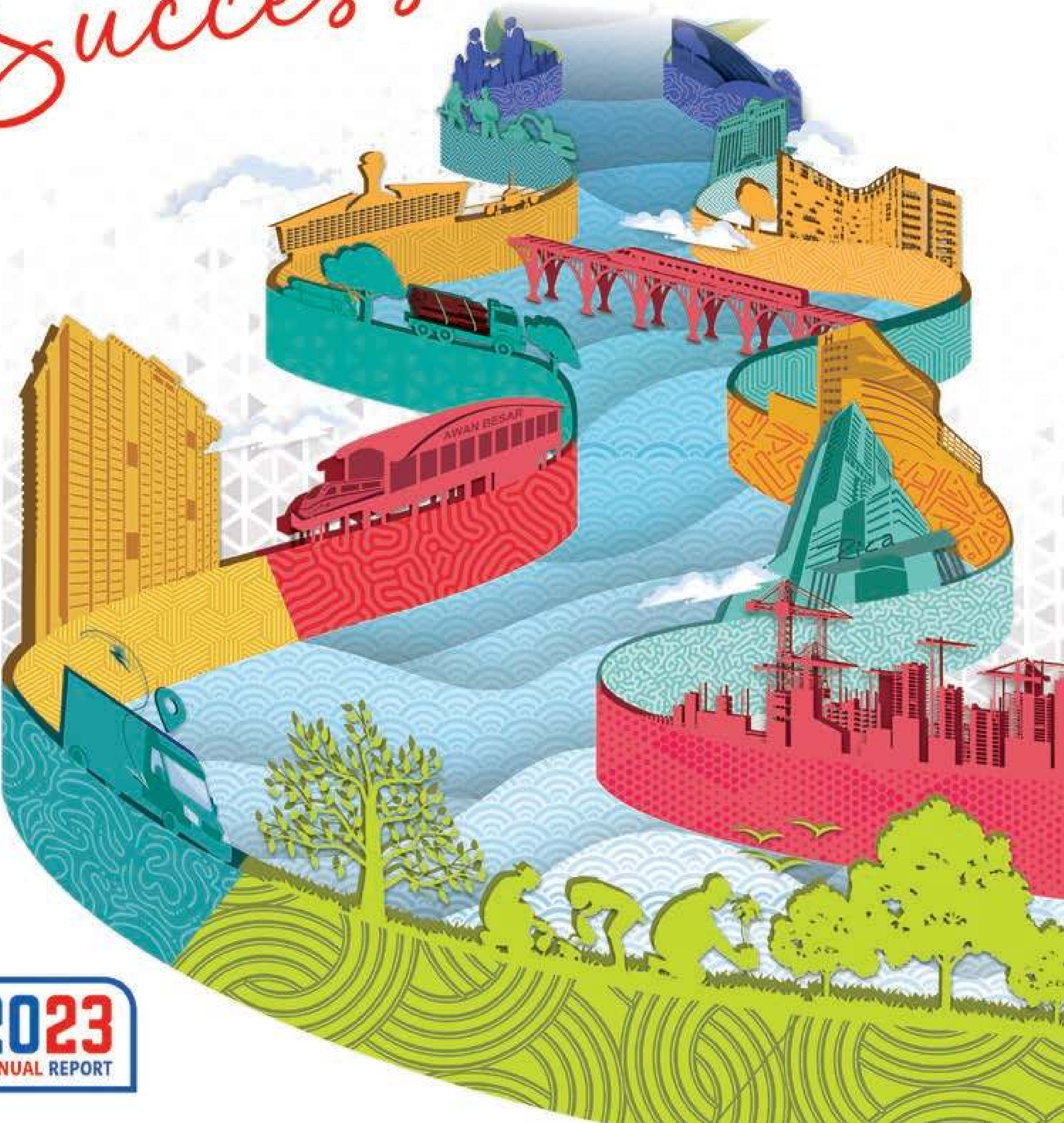
Building The Path To *Success*

FAJARBARU
BUILDER GROUP BHD
199301026907 (281645-U)



2023
ANNUAL REPORT

Rationale
"Building The Path To Success"

Our annual report cover is a representation of Fajarbaru's resilience and commitment throughout the challenging times brought about by COVID-19.

The traditional paper cut-outs that flank the river represent our diverse portfolio of six business segments, which are intricately woven into our corporate heritage and principles, serving as pillars of strength during turbulent times. This serves as a reminder of the importance of holding onto our heritage and principles as we navigate through adversities.

Our cover captures the essence of our journey, highlighting our ability to adapt, innovate, and uphold our commitment to excellence in all our endeavours.

Scan this to view our Annual Report online.

Our Annual Report, financial and other information about Fajarbaru Builder Group Bhd. can also be found at **www.fajarbaru.com.my**

WHAT'S INSIDE

KEY CORPORATE **MILESTONES**

1976

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

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)

2013

- Designed and constructed the Tampin Hospital for Ministry of Health (RM138 Million)

- Involved in the Electrified Double Tracking Project for the Seremban-Gemas rail road (RM316 Million)

2014

- First venture into Australian property development (Gardenhill, Melbourne – GDV AUD77 Million); awarded the "Game Changer of the Year Award" in the REA Excellence Awards 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

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 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

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

2018

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

2020

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

2022

- MOU with Penang Development Corporation on the development of 'Medi-City Bandar Cassia', encompassing a 230-acre land parcel

- Launched Residensi Intan @ Desa Green (Kuala Krai), comprising 227 homes (GDV of RM69.8 Million)

2023

NOTICE OF
ANNUAL GENERAL MEETING

14 December 2023

10.00 a.m

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

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 14 December 2023 at 10.00 a.m.

AGENDA

1) To receive the Audited Financial Statements for the year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Notes i)**

2) To re-elect Tan Sri Dato' Sri Chan Kong Choy who retires in accordance with the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 1**

3) To re-elect Tan Sri Datuk Seri Lau Kuan Kam who retires in accordance with the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 2**

4) To re-elect Dato' Norasni Binti Ayob who retires in accordance with the Company's Constitution and who being eligible, offers herself for re-election. **Resolution 3**

5) To re-elect Datuk Yoo Wei How who retires in accordance with the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 4**

6) To approve the payment of Directors' fees amounting to RM399,000 for the period from the Twenty-Ninth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors. **Resolution 5**

7) To approve the payment of Directors' benefits up to an amount of RM66,000 for the period from the Twenty-Ninth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors. **Resolution 6 (Refer to Explanatory Notes ii)**

8) To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration. **Resolution 7**

Special Business

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

9) **Authority to Issue Shares** **Resolution 8 (Refer to Explanatory Notes iii)**

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

AND THAT in connection with the above, pursuant to Section 85(1) of the Companies Act, 2016 read together with Clause 52 of the Company's Constitution, the shareholders of the Company do hereby approve that the pre-emptive rights to new shares that may be issued and allotted as above shall not apply."

10) **Proposed Renewal of Share Buy-back Authority** **Resolution 9 (Refer to Explanatory Notes iv)**

"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;

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:-

i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or

ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

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

whichever is the earliest."

11) 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)
LEE WAI NGAN (SSM PC No. 201908003497) (LS0000184)
Company Secretaries

Kuala Lumpur,
30 October 2023

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/her 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/her at the same meeting. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her 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 Share 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 6 December 2023 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 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-Ninth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors.

The proposed Resolution 6 in item 7 of the Agenda is to seek shareholders' approval on 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. **Authority to Issue Shares**

The proposed Resolution 8 in item 9 of the Agenda is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate. In order to avoid any delay and ost involved in convening a general meeting, it is thus appropriate to seek members' approval.

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

iv. **Proposed Renewal of Share Buy-back Authority**

The proposed Resolution 9 in item 10 of the Agenda 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 30 October 2023, which is released together with the Company's Annual Report 2023.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

DETAILS OF MEETING

Twenty-Ninth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 14 December 2023 at 10.00 a.m.

RE-ELECTION OF DIRECTORS

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

i) Tan Sri Dato' Sri Chan Kong Choy
ii) Tan Sri Datuk Seri Lau Kuan Kam
iii) Dato' Norasni Binti Ayob
iv) Datuk Yoo Wei How

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.

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)

TAN SRI DATUK SERI LAU KUAN KAM
(Group Executive Director)

IR. KONG KAM LOONG
(Group Executive Director)

DATO' LIM SIEW MEI
(Non-Independent Non-Executive Director)

DATO' NORASNI BINTI AYOB
(Independent Non-Executive Director)

DATUK YOO WEI HOW
(Independent Non-Executive Director)

OOI LENG CHOOI
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman
Ooi Leng Chooi

Members
Dato' Norasni Binti Ayob
Datuk Yoo Wei How

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
Datuk Yoo Wei How
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)

Lee Wai Ngan
(SSM PC No. 201908003497)
(LS0000184)

REGISTERED OFFICE

No. 3A, Mezzanine Floor,
Jalan Ipoh Kecil,
50350 Kuala Lumpur.

T: +603 – 4043 5750
F: +603 – 4043 5755
E: cosec@pcasynergy.com

BUSINESS ADDRESS

No. 61 & 63, Jalan SS6/12,
Kelana Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan.

T: +603 – 7804 9698
F: +603 – 7804 3698 / 4849
E: corporate@fajarbaru.com.my
W: https://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.

T: +603 – 2788 9999
F: +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.

T: +603 – 2783 9299
F: +603 – 2783 9222
E: is.enquiry@my.tricorglobal.com

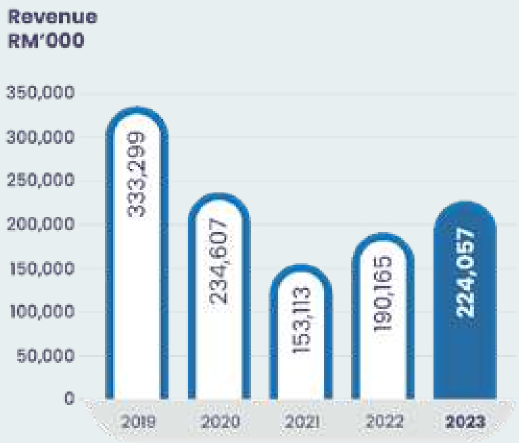
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Bhd.

Stock Name : FAJAR
Stock Code : 7047

PERFORMANCE ANALYSIS

		2019	2020	2021	2022	2023
Revenue	RM'000	333,299	234,607	153,113	190,165	**224,057**
Profit / (Loss) Before Tax	RM'000	41,686	38,257	36,954	15,291	**(10,721)**
Profit / (Loss) After Tax	RM'000	26,510	36,161	28,096	10,403	**(16,639)**
Issued Share Capital	RM'000	194,275	194,303	194,303	221,534	**221,534**
Shareholders' Funds	RM'000	283,023	309,782	355,786	390,024	**367,983**
Total Assets	RM'000	480,720	445,389	494,854	561,296	**572,943**
Earnings/ (Loss) Per Share	Sen	3.75	8.75	6.46	1.44	**(1.95)**
Net Assets Per Share	RM	0.76	0.83	0.96	0.53	**0.50**



OUR VISION
MISSION & CORE VALUES

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

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.

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

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

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

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.

OUR MISSION

With stakeholder satisfaction as our core, we further focus on individual goals to achieve the bigger collective aspiration.

OUR VISION is to be the most valued construction and property company in the markets we serve.

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.

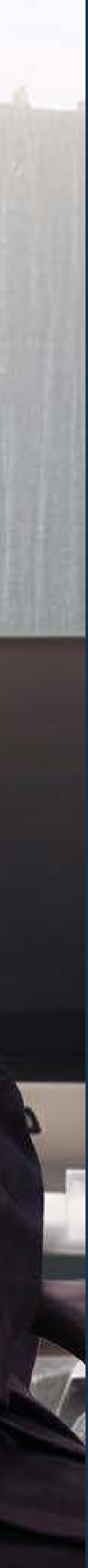
QUALITY
Commitment to provide products and services of the highest quality in a timely manner to achieve consistent customer satisfaction.

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.

TAN SRI DATO' SRI CHAN KONG CHOY
Group Executive Chairman



CHAIRMAN'S STATEMENT

To our Esteemed Shareholders, on behalf of the Board of Directors, I would like to present the Annual Report and Audited Financial Statements of Fajarbaru Builder Group Bhd. ("Fajarbaru" or the "Group") for the financial year ended 30 June 2023.

OPERATING ENVIRONMENT

2023 is emerging as a transitional year marked by various global developments. The world faced significant challenges, such as persistent worries about COVID-19 safety, China's decision to ease its strict pandemic restrictions, the continuing Russia-Ukraine conflict, and rising material costs. These factors combined to create a backdrop of economic uncertainty on a global scale.

Within Malaysia, the past two years were tumultuous due to the ongoing impact of COVID-19. However, the nation is now in the process of emerging from the pandemic and transitioning towards an endemic phase. This shift has fundamentally altered the way business is conducted in the country.

In 2022, Malaysia's GDP growth rebounded to an encouraging 8.7%, surpassing expectations. The growth in 2022 was supported by a strong economic performance in the fourth quarter of 2022 which, among other things, saw the recovery of private spending and investment, a decrease in unemployment and the strengthening of the ringgit. The country's commitment to diversifying its economic base and attracting foreign investments has also contributed to this positive momentum.

The Malaysian GDP growth is expected to moderate in 2023 due to slower external demand as a result of weakening global trade. Geopolitical tensions, elevated price pressures and tighter financial conditions will also continue to affect world economic outlook. Despite these challenges, the Malaysian economy is projected to have a growth forecast of 4.0% to 5.0% in 2023, supported by Malaysia's strong economic fundamentals and implementation of Belanjawan 2023 measures.

However, it is essential to acknowledge that risks persist and any disruption to global trade or supply chains could impact our economic outlook. To address these challenges, we will remain vigilant and adapt our strategies to navigate the dynamic operating environment effectively.

The Group is committed to capitalising on the growth potential that the country offers. Our continued focus on innovation, customer-centricity, and operational excellence will position us to seize opportunities in emerging sectors and drive sustainable growth.

CHAIRMAN'S STATEMENT (Cont'd)

Desa Green @ Kuala Krai

REVIEW OF FINANCIAL PERFORMANCE

In the face of a highly challenging operating environment, I would like to report that our Group posted a loss before tax of RM10.7 million in FYE 2023. Nevertheless, the Group recorded a revenue of RM224.1 million in FYE 2023 as compared to RM190.2 million in FYE 2022. The loss before tax in the current year primarily arises from a one-off impairment loss on contract assets for a completed project, following a recent discussion with the client on the claims submitted. Despite the loss recorded for FYE 2023, I wish to highlight that the Group has made good advancements in 2023 and our priority is to effectively carry out projects from our current order book, which stands at approximately RM871.4 million.

A more comprehensive analysis of our financial and operational achievements can be found in the "Management Discussion and Analysis" section of this Annual Report.

COMMITMENT TO CORPORATE GOVERNANCE AND SUSTAINABILITY

The Board is committed and places great importance in practicing 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.

REVENUE OF

RM224.1 MILLION

IN FYE 2023

In the spirit of accountability and transparency, the Group's Anti Bribery and Anti Corruption Policy as well as our other policies on corporate governance are available on our website at http://fajarbaru.com.my/investor-relations/corporate-governance/.

With the growing importance of Environmental, Social and Governance ("ESG") considerations in business practices, we shall endeavour to undertake more sustainability-related initiatives in the coming years, whilst integrating ESG factors into our decision-making. For more details of our sustainability efforts, please refer to our Sustainability Statement on page 42 to 71 of this Annual Report.

> **"I wish to highlight that the Group has made good advancements in 2023 and our priority is to effectively carry out projects from our current order book, which stands at approximately RM871.4 million."**

CORPORATE AND BUSINESS DEVELOPMENTS

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

- On 3 March 2023, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted a Letter of Award from Kekal Kirana Sdn. Bhd., an indirect subsidiary of WCT Holdings Berhad, in respect of the main building works for the proposed residential development of 3 blocks of condominium towers comprising 341 units on top of 4 levels of basement car parks and 3 levels of podium facilities at Lot 67209, Jalan Changkat Duta Kiara, Mont Kiara, Mukim Batu, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur with a contract value of RM310.5 million.

- On 7 April 2023, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted an Award from Penang Development Corporation for phase 4 of a proposed mixed development of 25 phases of development on part of Lot 282 (Formerly as Part of Lot 274), Mukim 13 Bandar Cassia, Seberang Perai Selatan, Penang. Phase 4 comprises of 1 block of 12 storeys medium low cost apartment (149 units), 1 block of 14 storeys medium cost apartment Type A (149 units), 1 Block of 19 storeys medium cost apartment Type B (222 units), 5 units of shop lot (lock up shop), and 1 block of 2 storeys car and motorcycle parking with a contract value of RM125.3 million.

- On 14 April 2023, the Group announced that Grand Achievement Sdn. Bhd. entered into two Logging Agreements with Lembaga Pemegang Amanah Yayasan Pahang to extract and purchase all standing timber logs at HS Remen Chereh, Mukim Hulu Kuantan and HS Berkelah, Mukim Hulu Lepar, Kuantan, Pahang Darul Makmur, an approximate land area of 7,500 acres and HS Berkelah, Mukim Hulu Lepar, Kuantan, Pahang Darul Makmur, an approximate land area of 1,321 acres respectively.

- On 26 May 2023, the Group announced that BFB Project Pty Ltd entered into a Subscription Agreement with Beulah FB Investment Pty Ltd, Mr. Chan Jiaheng (as Guarantor) and Makarios Investments Trust (as Corporate Guarantor) to subscribe for 14,626,463 fully-paid preference shares at an issue price of AUD1.00 per subscription share, in the share capital of Beulah FB Investment Pty Ltd, totalling AUD14.6 million.

- On 27 June 2023, the Group announced that Fajarbaru Builder Sdn. Bhd. entered into a Memorandum of Understanding (MoU) with Penang Development Corporation to explore all possible opportunities to develop

approximately 230 acres of land located in Bandar Cassia, Mukim 13, Batu Kawan, Seberang Perai Selatan, Pulau Pinang for the development of a medical hub.

- On 5 July 2023, the Group incorporated a 60% owned subsidiary company named Fajarbaru Dynamic Development Sdn. Bhd. for property development to undertake the development and construction of an Industrial City Park for 672 units of centralised labour quarters at Sg. Gadut, Seremban, Negeri Sembilan.

- On 7 July 2023, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted a Letter of Award from Temasya Development Co. Sdn. Bhd. in respect of the building and related infrastructure works for an 18 Storeys serviced apartment and retail complex (Temasya Prisma) at Lot PT 3134, Phase 6F, Seksyen U1, Temasya Glenmarie, Shah Alam, Selangor Darul Ehsan with a contract value of RM150.9 million.

- On 10 July 2023, the Group announced that Fajarbaru Builder Sdn. Bhd., together with Avionics Pty Ltd, has been awarded a Head Contract (International) two phase from the Australian Department of Defence, Commonwealth of Australia, in respect of the planning phase of the design and construct infrastructure project to redevelop the Australian leased facilities and Malaysian facilities at Royal Malaysian Air Force ("RMAF") Base Butterworth, Penang, Malaysia. Arising from the award, Fajarbaru Builder Sdn. Bhd. and Avionics Pty Ltd have entered into a Joint Venture Agreement ("JVA") for the design and construct infrastructure project to redevelop the Australian leased facilities and Malaysian facilities at the RMAF Base Butterworth, Penang, Malaysia. It includes operational and recreational upgrades to airfield pavements, ground lighting infrastructure, drainage, rugby pitch, futsal court and associated infrastructure with a contract value of RM7.4 million and AUD1.5 million collectively.

- On 21 August 2023, Fajarbaru Land (M) Sdn. Bhd., entered into a JVA with the aim of establishing a strategic partnership with Care Dynamic Sdn. Bhd. through Fajarbaru Dynamic Development Sdn. Bhd. The primary objective of this agreement is to collaboratively undertake the development and construction of an Industrial City Park that will comprise 672 Units of Centralised Labour Quarters (divided into 56 Units across 12 Blocks). This project is planned for a piece of land located in Sg. Gadut, Seremban, Negeri Sembilan, pending final Kebenaran Merancang (Development Approval).

DIVIDENDS

The Board of Directors has declared an interim dividend of 1.00 sen per share for the financial year ended 30 June 2023 where in approximately RM7.4 million was paid to the shareholders on 28 December 2022.

MOVING FORWARD

As we project a year of growth, our unwavering commitment to sound business practices remains at the forefront of our operations. We diligently assess both risks and opportunities, ensuring they align seamlessly with our overarching corporate strategy and vision. With an unwavering focus on enhancing our business and financial performance, we are resolute in delivering long-term value to our esteemed shareholders.

The Group is dedicated to fortifying the performance of its core businesses, while prudently exploring the potential of new ventures that promise sustainable returns for the company. Nevertheless, we exercise prudent caution in implementing our business strategies and meticulously monitor market dynamics in light of the prevailing challenging and uncertain economic landscape. Our goal is to steer the Group with astute precision, securing both future business sustainability and positive financial outcomes.

Drawing on decades of invaluable industry experience, we are strategically positioned to leverage the ongoing economic recovery, propelling us back onto a trajectory of steady growth. The Group is encouraged with its success in securing new contracts between March 2023 and July 2023. These contracts encompass a variety of projects, including high-rise residential buildings, affordable apartments, retail complexes, service apartments, and the redevelopment of military facilities. In total, these construction contracts are valued at RM594.1 million. We will continue to pursue infrastructure and rail construction projects, capitalising on our state-of-the-art trackwork machineries and expertise, as well as our track record of timely project completions. We remain committed in exploring fresh business opportunities and maximising our strengths to generate sustainable revenue across both existing and new ventures.

Looking ahead, I am confident that the Group will remain resilient to steer through any challenging outlook ahead of us as we continue to grow our business sustainably.

APPRECIATION

On behalf of the Board, I wish to express our heartfelt gratitude and appreciation to all our clients, business associates, and shareholders for their unwavering support. Thank you very much to my respected Board members for your unwavering commitment, commendable resilience and invaluable support in working alongside to register yet another milestone financial year for Fajarbaru. The Board and I would like to express our gratitude to Dato' Ismail bin Haji Omar, who retired as an Independent Non-Executive Director on 18 August 2023, for his years of dedicated service and invaluable contributions to the Group.

I would also like to extend a warm welcome to Datuk Yoo Wei How who assumed the role of Independent Non-Executive Director on 23 October 2023. We look forward to his valuable insights and guidance as we set forth on the next chapter of growth and advancement for the Group.

Finally, let me also extend my appreciation to our dedicated employees for their commitment and continued support. Their perseverance and heartfelt contributions over the financial year was instrumental in bringing about another year of growth and success for the Group.

Thank you.

TAN SRI DATO' SRI
CHAN KONG CHOY
Group Executive Chairman

CORPORATE **STRUCTURE**

FAJARBARU
BUILDER GROUP BHD
199301026907 (281645-U)

100%
FAJARBARU BUILDER SDN BHD
197801001408 (27198-T)
Building & Civil Construction

100%
POTENTIAL REGION SDN BHD
199101018787 (225096-H)
Property Development

100%
FAJARBARU TRADING SDN BHD
199301028227 (282995-H)
Trading of Construction Materials

100%
FAJARBARU LAND (M) SDN BHD
200901008282 (851285-T)
Investment Holding

100%
ASIAHUB TRADING SDN BHD
201601025412 (1198351-D)
Trading of Construction Materials

100%
FAJARBARU LAND SDN BHD
199501015598 (344800-A)
Property Development

100%
FB CEMARA SDN BHD
202201015626 (1461323-M)
Property Development

100%
WAJATEX SDN BHD
199601006704 (379050-W)
Property Development

100%
RENOWAJA SDN BHD
200801019419 (820729-W)
Property Development

60%
FAJARBARU DYNAMIC DEVELOPMENT SDN BHD
202301025414 (1519337-X)
Property Development

55%
FAJARBARU REAL DEVELOPMENT SDN BHD 202201017779 (1463476-H)
Property Development

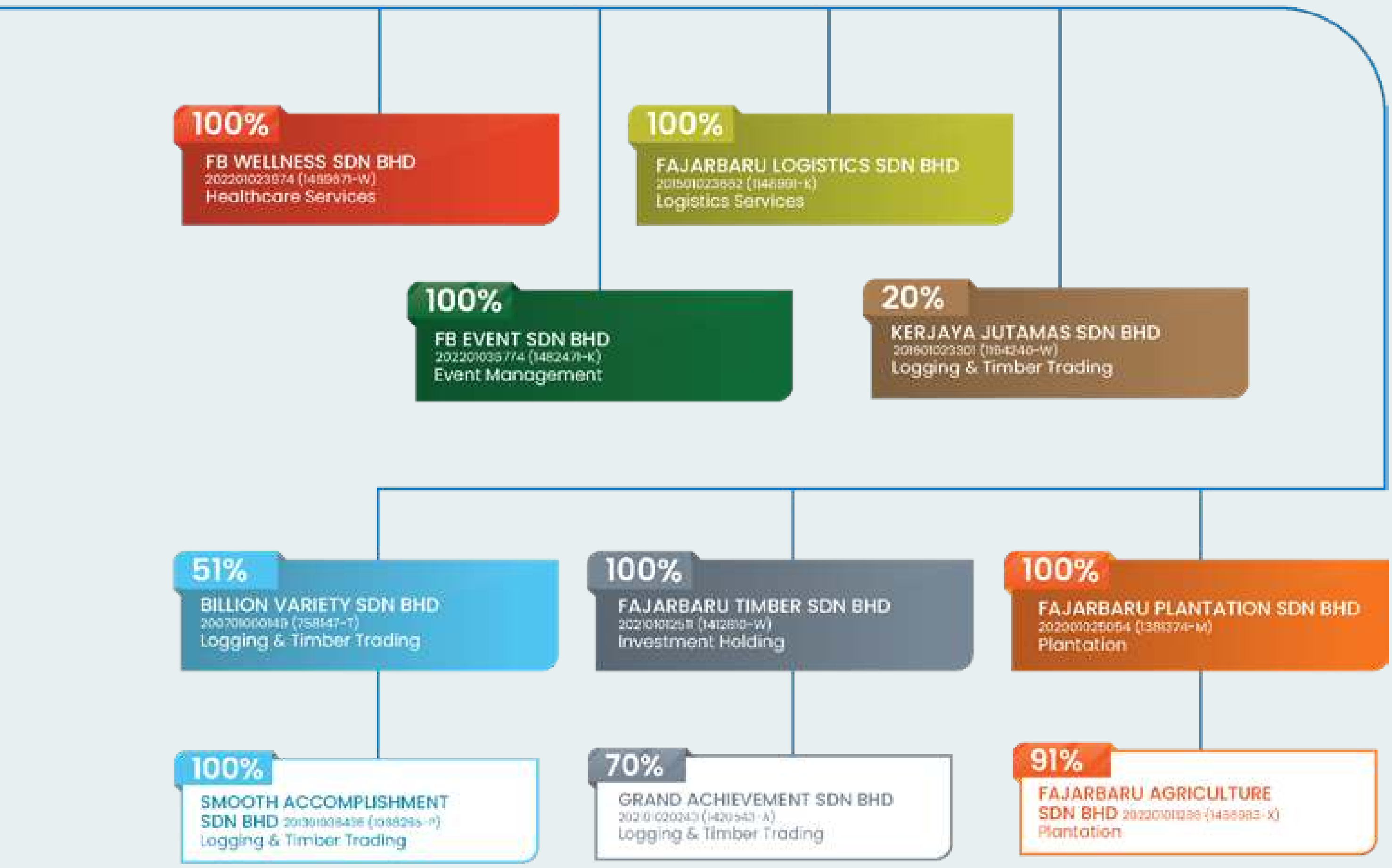
51%
FAJARBARU-BEULAH (MELBOURNE) PTY LTD (109 430 240)
Property Development

50%
320 QUEEN STREET PROJECT PTY LTD
(615 814 009)
Property Development

49%
BEULAH NORTHCOTE LAND PTY LTD
(622 226 192)
Property Development

45%
BEULAH FB FITZROY PTY LTD
(657 634 163)
Property Development

44.44%
BFB PROJECT PTY LTD
(615 616 843)
Property Development


100%
FB WELLNESS SDN BHD
202201023574 (1468671-W)
Healthcare Services
100%
FAJARBARU LOGISTICS SDN BHD
201501023882 (1146991-K)
Logistics Services
100%
FB EVENT SDN BHD
202201035774 (1482471-K)
Event Management
20%
KERJAYA JUTAMAS SDN BHD
201601023301 (1194240-W)
Logging & Timber Trading
51%
BILLION VARIETY SDN BHD
200701000149 (758147-T)
Logging & Timber Trading
100%
FAJARBARU TIMBER SDN BHD
202101012511 (1412610-W)
Investment Holding
100%
FAJARBARU PLANTATION SDN BHD
202001025054 (1381374-M)
Plantation
100%
SMOOTH ACCOMPLISHMENT
SDN BHD 201301008436 (1038296-P)
Logging & Timber Trading
70%
GRAND ACHIEVEMENT SDN BHD
202101020243 (1420543-A)
Logging & Timber Trading
91%
FAJARBARU AGRICULTURE
SDN BHD 202201011288 (1458983-X)
Plantation

MANAGEMENT DISCUSSION AND ANALYSIS

Fajarbaru Builder Group Bhd is an investment holding company with its subsidiaries mainly involved in construction, property development, logging and timber trading and plantation businesses primarily in Malaysia and Australia.

TOTAL ASSETS

RM 572.9 MILLION

2.1% increase

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 the business operations and financial performance of the Group and its subsidiaries for the financial year ended 30 June 2023. 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

There was steady recovery throughout 2022, with the Malaysian economy ending the year with a GDP growth of 8.7% year-on-year, exceeding the government's forecast of 6.5% to 7.0% growth. This was also well above the 3.1% growth of 2021. Economic growth was achieved on the back of strong exports rebound and resilient private consumption amid challenges posed by a global economic slowdown and persistent inflation.

In Bank Negara Malaysia's ("BNM") report, the economy expanded moderately in the second quarter of 2023 at 2.9%; as compared to 5.6% in the first quarter. This was weighed mainly by slower external demand. Domestic demand remained the key driver of growth and was supported by private consumption and investment. The economy is expected to grow moderately amid the current challenging external environment in 2023 and full year GDP growth rate is expected to be between 4.0% to 5.0%.

FYE 2023 saw us leave behind the most challenging phase of the pandemic and enter global recovery characterised by uneven progress. The company underwent a gradual yet consistent resurgence of its operational activities, surmounting the limitations posed by the post-pandemic landscape.

"The Group's balance sheet remains strong, characterised by low levels of borrowing and a healthy cash reserve."

These challenges encompassed scarcities in labour, interruptions in the supply chain, and heightened expenses for construction materials due to the aftermath of the Russian-Ukraine conflict.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

In FYE 2023, the Group via its core business segments, Construction, Property Development, Logging and Timber Trading, Logistics and Trading delivered a decent financial performance.

GROUP FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the financial year ended 30 June 2023, the Group reported a consolidated revenue of RM224.1 million, which is an increase of 18% as compared to RM190.2 million in the preceding financial year. The growth can primarily be attributed to the contributions from the Construction Segment and the Property Development Segment.

In the current financial year, the Group incurred a loss before tax of RM10.7 million, representing a contrast to the prior financial year's profit before tax ("PBT") of RM15.3 million. The loss was experienced across all business segments, with the exceptions being the Property Development Segment and Investment Holding Segment. Further details regarding the reasons for these losses will be elaborated upon within the corresponding segments.

The Group's balance sheet remains strong, characterised by low levels of borrowing and a healthy cash reserve. As of 30 June 2023, the Group's total assets amounted to RM572.9 million, as compared to FYE 2022 when they were at RM561.3 million. Additionally, the gearing ratio remained at a manageable level of 21.8%. Our primary focus remains on sustaining this strong financial footing through diligent capital and cash flow management.

CONSTRUCTION SEGMENT

The Construction Segment registered a revenue of RM146.2 million in the current financial year as compared to RM118.0 million in the preceding financial year. The segment recorded a loss before tax of RM31.7 million in the current financial year as compared to a loss before tax of RM2.0 million in the preceding financial year.

The increase in revenue was contributed from the higher work progress of the Group's construction project (Duta Park Residences) in the current financial year. The loss before tax in the current year arose from a one-off impairment loss on contract assets for a completed project, following a recent discussion with the client on the claims submitted. Currently, the Group remains engaged in discussions with the client and is actively working towards recovering these outstanding claims.

PROPERTY DEVELOPMENT SEGMENT

The Property Development Segment recorded an increase in revenue from RM54.4 million in the preceding financial year to RM70.5 million in the current financial year. The PBT increased from RM9.6 million in the preceding financial year to RM16.2 million in the current financial year.

The growth in revenue and PBT for the current financial year is attributed to the ongoing progress in recognising revenue from Vierra Residence @ Kinrara, as the construction work is making headway. It is also worth noting that all units in this development project have been completely sold.

LOGGING AND TIMBER TRADING SEGMENT

In the Logging and Timber Trading Segment, there was a decline in revenue in comparison with the preceding financial year. Revenue decreased from RM15.1 million to RM2.4 million. Additionally, PBT also saw a reduction from RM5.0 million in the preceding financial year to a loss before tax of RM1.5 million in the current financial year.

The decrease in revenue and PBT primarily stemmed from the fact that the Group had just started its production activities and sales is anticipated to come accordingly.

TRADING AND LOGISTICS SEGMENTS

The Trading Segment experienced an increase in revenue, from RM0.482 million in the previous financial year to RM3.5 million in the current financial year.

In the current financial year, the segment reported a PBT of RM0.046 million as compared to a PBT of 0.037 million in the preceding year. The increase in revenue and PBT were attributed to higher purchases of construction materials for the Group's ongoing projects within the Construction segment, as well as purchases from external contractors for their respective projects.

In the Logistics Segment, revenue increased from RM0.95 million in the preceding financial year to RM1.17 million in the current financial year. The segment recorded a lower loss before tax of RM0.603 million for the current financial year as compared to a loss before tax of RM0.633 million in the preceding financial year. The increase in revenue and lower loss before tax were mainly due to higher revenue contribution from other customers apart from existing customers in the Logging & Timber Trading Segment.

Rail works machinery

REVIEW OF OPERATIONS

CONSTRUCTION

The construction sector is anticipated to witness improvements in 2023 compared to previous years, which were adversely affected by the COVID-19 pandemic. As construction activities move towards normalcy and increased productivity, steady progress is being made on the road to recovery as we enter the endemic phase. In 2022, the construction sector experienced a remarkable rebound of 8.8% after two years of decline. All sub-sectors showed robust growth, registering double-digit increases, according to the Department of Statistics Malaysia. The total value of construction work completed in 2022 amounted to RM121.9 billion, although it remained below the pre-pandemic level of RM146.4 billion recorded in 2019.

The year 2023 has started on a positive note for the Group's Construction segment, with the Group securing four contracts

to-date. The Group finds optimism with this encouraging start, which demonstrates the company's competence in securing and executing high-value construction projects.

The Construction segment will continue to focus on the Group's current projects such as Duta Park Residences (Kuala Lumpur) and its own property development projects in Bandar Kinrara (Kuala Lumpur) and Kuala Krai (Kelantan). In addition to these current projects, the Group will strive to execute the following construction projects.

In March 2023, the Group won a construction contract for three blocks of condominium worth RM310.5 million in Mont Kiara from WCT Holdings Bhd's indirect subsidiary, Kekal Kirana Sdn Bhd. The construction work includes condominium towers comprising 341 units, three levels of podium and four levels of basement for carparks. The contract, which commenced in March 2023, is expected to be completed in 35 months.

The Group accepted a letter of award from Penang Development Corporation ("PDC") to build three blocks of affordable apartments in Seberang Perai Selatan, Penang in April 2023. The RM125.3 million contract is for Phase Four of a mixed development project comprising twenty-five phases. Phase Four consists of one block of 12-storey affordable apartment (149 units); one block of 14-storey affordable apartment (149 units); one block of 19-storey affordable apartment (222 units), five units of shop lots; and one block of two-storey car and motorcycle parking. The contract which commenced on July 2023, is scheduled for completion in July 2026.

In July 2023, the Group was awarded a contract from the Australian Department of Defence to redevelop military facilities at the Royal Malaysian Air Force (RMAF) Base Butterworth, Penang, Malaysia. The scope of the project includes operational and recreational upgrades to airfield pavements, ground lighting infrastructure, drainage, rugby pitch, futsal court and associated infrastructure at the military base. For the planning phase of the project, Fajarbaru's portion of the contract has a value of RM7.4 million. This phase commenced in July 2023 and is scheduled to be completed by November 2023. In the same month, the Group received a contract worth RM150.9 million from Temasya Development Co. Sdn. Bhd. for a construction project involving an 18-storey serviced apartment and retail complex situated in Temasya Glenmarie, Shah Alam, Selangor.

These contracts are expected to have a positive impact on the Group's future earnings and net assets per share, starting from the financial year 1 July 2023 and beyond. Currently, the Group's order book stands at approximately RM871.4 million, and it is actively participating in tendering processes for new construction projects in both the private and government sectors, amounting to RM5.0 billion.

Pavilion Mont' Kiara @ Kuala Lumpur

While the Group remains cautious and vigilant about the outlook of the construction industry, it remains committed to seeking opportunities to expand its construction portfolio. The company aims to secure new construction contracts to replenish its outstanding order book as part of its long-term growth strategy. Given its successful completion of various construction and infrastructure projects, such as high-rise buildings, hospitals, railways, roads, bridges, and airports, the Group is well-equipped and determined to bid for upcoming building construction, railway, and infrastructure projects

PROPERTY DEVELOPMENT

Following the easing of economic activity restrictions in Malaysia after COVID-19, there has been a positive impact on the property sector, among other areas. The year 2022 witnessed a surge in property transactions, reaching 389,107, marking a notable increase of 29.5% compared to 2021. Additionally, the total value of these transactions amounted to RM179.1 billion in 2022, reflecting a substantial 23.6% growth over the previous year.

Despite the improved domestic economic recovery in 2022, the monetary policy was recalibrated, resulting in Bank Negara Malaysia revising the overnight policy rate ("OPR") four times to 2.75% from its historical low of 1.75%. Consequently, banks and financial institutions raised their Base Lending Rate ("BLR"), leading to higher loan interest rates and borrowing costs. This has made home loans less affordable, and as a result, dampening property sales with each increment.

Although the number of new property launches in Malaysia increased to 54,000 units in 2022, up from 43,860 units in 2021, these figures still fall short of pre-pandemic levels as developers remain cautious due to the unpredictable external environment. Looking ahead, the property development market is expected to face ongoing challenges in the short to medium-term due to supply chain strains and elevated costs of materials and labour.


Duta Park Residences @ Jalan Kuching

The enhancement of economic strategies to foster greater market assurance and implementation of governmental stimulus plans and measures like the waiver of stamp duties for first-time home purchasers, initiatives for affordable housing, and the introduction of the Housing Credit Guarantee scheme, have not only increased buyers' interests but also sparked higher levels of buying enthusiasm.

In June 2023, the Group signed a Memorandum of Understanding ("MOU") with PDC for the purpose of collaborating on the development of a medical city located in Bandar Cassia, Batu Kawan, Seberang Perai Selatan. This proposed project, tentatively named 'Medi-City Bandar Cassia', encompasses a 230-acre land parcel and is envisioned to offer a wide range of facilities including a hospital, medical campus, medical supply hub, corporate suites, rehabilitation center, retirement village and more. Additionally, the proposal includes non-medical aspects such as retail, hotel, residential areas, a commercial hub, recreational amenities and an integrated transportation system. The development of Medi-City Bandar Cassia is poised to attract medical tourists from around the globe, positioning Penang as a prominent regional and international leader in both the healthcare and technology sectors.

In August 2023, the Group has formed a joint venture ("JV") with hostel management company Care Dynamic Sdn Bhd (CDSB) for a Centralised Labour Quarters ("CLQ") project located in Senawang, Negeri Sembilan. The development project has an estimated gross development cost ("GDC") of RM136.5 million and comprises the development and construction of 672 units of CLQ on a 10.9-acre plot of land in Sungai Gadut, Seremban. The CLQ aims to support the national agenda in implementation of the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) and objective to alleviate the living conditions and provide a sustainable living environment for migrant workers around the area.

In view of the challenges in the property development market, the Group is committed to exercising prudence in its development launches. This approach ensures the Group's business activities remain resilient and adaptable to the rapidly changing environment.

Vierra Residence @ Kinrara

Desa Green @ Kuala Krai

Desa Green @ Kuala Krai

CURRENT PROJECTS – KLANG VALLEY

VIERRA RESIDENCE @ KINRARA

The Group's second property development endeavor in Malaysia, known as Vierra Residence @ Kinrara, commenced in the second quarter of 2022. Vierra Residence @ Kinrara has a gross development value ("GDV") of RM482.48 million and all units were completely sold by the first quarter of 2023. This development comprises two tower blocks with a total of 1,604 units. It adheres to the affordable housing concept of "Residensi Wilayah Keluarga Malaysia" (RUMAWIP) and aimed at providing more affordable housing options for the younger generation and the B40 and M40 category groups.

The property development was awarded the prestigious GreenRE Silver Certification (Provisional) under the Residential Building and Landed Home category due to its notable green features integrated into the design such as solar panels to harness renewable solar energy and a rainwater harvesting system among others. In 2022, the development was also awarded the Best Value High-Rise Development Category of the PropertyGuru Asia Awards in partnership with iProperty.

CURRENT PROJECTS – KELANTAN

DESA GREEN @ KUALA KRAI

Situated in Kuala Krai, Kelantan, Desa Green is an integrated township spanning approximately 146 acres. This township will feature a commercial hub equipped with amenities such as superstore, boutique hotel, a private hospital and various other facilities for the community.

The first phase of this freehold development, known as Residensi Intan @ Desa Green, comprises 143 units of single-story terrace houses and 84 units of single-story semi-detached homes. The development was opened for booking in the second quarter of 2023 and has an estimated GDV of RM69.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

CURRENT PROJECTS – MELBOURNE, AUSTRALIA

THE WILDS

The Wilds, located in Northcote, Melbourne, is set to be a benchmark in sustainable design principles and will become the first carbon-neutral detached housing development in inner Melbourne. All 15 homes are fossil-fuel free and 100% electric with integrated solar panels and induction cooktops. With an estimated GDV of approximately AUD41.3 million, the development is scheduled for completion by 2024.


The Wilds, Melbourne

UPCOMING PROJECTS – AUSTRALIA

FITZROY

The Group has acquired a piece of land in Fitzroy, Melbourne and the development is planned to have 48 apartments with build-ups ranging from 678 sq ft to 1,614 sq ft (63sqm – 150 sqm) and an estimated GDV of approximately AUD56.1 million. This development is currently applying for approval from the relevant authorities and is scheduled to launch in 2024.

LOGGING AND TIMBER TRADING

According to MATRADE (Malaysia External Trade Development Corporation) in 2022, the exports of Malaysian timber and timber products experienced significant growth, rising by 10.6% to RM25.21 billion. This marked the highest earnings recorded by the timber industry in recent years. Looking ahead, the National Agricommodity Policy 2021 to 2030 predicts that the export value of downstream timber products, which includes furniture, is projected to reach RM19 billion in 2025, constituting 68% of the total timber product exports. The government's efforts in promoting the national timber and timber products market have been further strengthened by the successful commercialisation of Made in Malaysia brands in the international market.

In April 2023 the Group, through its subsidiary Grand Achievement Sdn Bhd, entered into two logging agreements with Lembaga Pemegang Amanah Yayasan Pahang for the utilisation of approved land areas measuring approximately 7,500 acres and 1,321 acres in Kuantan, Pahang.

Presently the Group has a total of around 22,989 acres of working blocks through its subsidiaries and associate company and the division is expected to continue contributing to the Group's earnings in the future.

PLANTATION

The Group has diversified its business into the Plantation segment, and foresee that this segment may generate good returns in the long term.

The Group initiated the planting of approximately 1,000 durian trees, specifically of the Musang King (D197) and Black Thorn (D200) species, on its agricultural land situated in Mukim Si Rusa, Port Dickson and it was successfully completed in 2020. The durian plantation is expected to contribute significantly to the Group's future earnings in the long run, as durian harvesting usually takes five to seven years from the time of planting.

Additionally, the Group also cultivated other fruit crops, including banana, pineapple and dragon fruit, which were first harvested in the latter half of 2022 and will continue


Dragon fruit plantation

to be harvested. The Group has an ecofarm that is currently under construction and target to be operational and open to the public by the second quarter of 2024. The establishment of an animal farm will also be integrated into the initial launch phase of the ecofarm.

The Group's other plantation located in Jerantut, Pahang is engaged in various plantation operations, including reforestation, fruit crops cultivation, and the planting of eucalyptus trees on a sizable land area of approximately 600 acres.

The Group remains committed to exploring potential opportunities and suitable businesses, as well as considering strategic acquisitions within the plantation sector to further expand its presence in this domain.

LOOKING AHEAD

Moving forward, the Group will maintain its focus in construction, property development, logging and timber trading, as well as the plantation segment to ensure a consistent revenue stream. The Group is also exercising caution and vigilance in response to external challenges, including the potential impact of rising interest costs, slower economy pace, and uncertainties anticipated in the upcoming year. However, we are confident that our various divisions are well-prepared to capitalise on new opportunities within our core business areas.

The Construction segment will be focusing on efficient execution and the timely completion of existing projects. Despite navigating the challenges posed by the pandemic-related work environment, the division successfully upheld its Quality Management System ISO 9001, Occupational Health and Safety Management System ISO 45001 and Environmental Management System ISO 14001 certifications throughout FYE 2023. These certifications hold global and local recognition as management system standards for quality, occupational health and safety, as well as environmental management systems respectively. The division has dedicated substantial efforts to participate in tender processes for new projects across diverse segments, with the goal of broadening the scope of its orderbook exposure. Nonetheless, the Group's construction division will persist in its commitment to cost management, efficient and lean operations.

Given its inherent characteristics, the construction sector significantly relies on natural resources and is currently facing mounting demands to minimise its ecological footprint. Acknowledging the environmental consequences of its activities, the Group has proactively initiated measures to integrate sustainable practices into its operations. Notably, technologies such as Building Information Modelling ("BIM"), Self-Climbing Platforms ("SCP"), and drone technology have been embraced. These advancements represent transformative steps within the industry, enhancing the feasibility of sustainable on-site planning and management during construction operations. The Group is committed to further embracing emerging technological breakthroughs that present novel opportunities for the implementation of eco-friendly construction methodologies.

The Property Development segment focus remains directed towards the strategic progression of its property developments within Malaysia. Vierra Residence @ Kinrara witnessed a successful launch, generating encouraging sales during the second quarter of 2022 and was completely sold by the first quarter of 2023. Additionally, the Group's latest project, Residensi Intan @ Desa Green recently commenced the process of sales booking and has garnered positive response.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)


Fajarbaru plantation located in Port Dickson.

The MOU with PDC on the development of 'Medi-City Bandar Cassia' stands as a notable long-term project. The Group is actively engaged in feasibility studies for this endeavour, which holds the potential to revolutionise healthcare and technology by creating a hub that fosters collaboration among brilliant minds, state-of-the-art infrastructure, and an environment conducive to research and development. The Group anticipates the development of affordable housing in Putrajaya, aligning with the government's 12th Malaysia Plan to address the demand for accessible housing units. Simultaneously, plans are underway for the establishment of a healthcare facility in the Klang Valley region.

With a clear vision of expanding its footprint in the Australian market, the Group seeks to introduce fresh property developments through collaborative ventures and acquisitions. The Australian property development segment holds promising prospects for sustained growth, offering a substantial avenue for revenue generation. Fajarbaru remains unwavering in its commitment to explore opportunities within the Melbourne real estate landscape, aiming to capitalise on favourable conditions.

The Property Development segment's growth strategy remains resolute, focusing on bolstering its brand equity as a property developer, nurturing strong demand within its target market segments, optimising operational efficiency through improved systems and processes, driving increased sales, and expanding its digital capabilities to enhance customer service. Concurrently, the division remains dedicated to integrating sustainability considerations across its business practices and operations. This involves ensuring that every business decision not only makes financial sense but is also environmentally and socially responsible.

In the Plantation segment, the Group made the strategic decision to cultivate approximately 100 acres of eucalyptus trees in its Jerantut plantation, recognising their reputation for rapid growth and potential profitability.

Eucalyptus is a remarkably versatile resource, serving as a fiber source for the pulp and paper industries and finding extensive applications in product packaging. Eucalyptus plantations thrive in tropical and subtropical regions due to their impressive adaptability to environmental conditions.

As part of its expansion strategy, Fajarbaru is open to collaborating with landowners through contract farming arrangements. Under such agreements, the company would be granted the rights to utilise the land for a specified duration, assuming responsibility for planting, managing, maintaining, and eventually harvesting the orchards.

The Group is also exploring the integration of advanced agricultural technology, such as the Internet of Things ("IoT"), within irrigation and fertilisation systems. The incorporation of sensors to monitor fruit collection and the implementation of QR codes for traceability are also being considered. Embracing these modern agricultural technologies along the value chain is expected to enhance productivity and elevate the quality of locally produced durian, ultimately catering to the global market's demands.

Since the beginning of the pandemic, we have proactively pursued digital transformation to address our Business Continuity Plan ("BCP"). This effort aims not only to effectively manage our operations but also to identify growth opportunities in the new normal. We acknowledge the significance of the digital realm as a growth driver for our Group and the importance of equipping our employees with the necessary tools for a digital ecosystem. We have started our digital transformation roadmap this year as part of our dedication to sustainability and it is anticipated to span three to five years. Through engagement sessions with various business divisions, we have pinpointed the challenges and gaps within the Group's current information technology business environment. The implementation of digital solutions will empower the Group to enhance process efficiencies, leading to cost savings and improved business performance. By expediting our digital initiatives, we envision Fajarbaru evolving into a more agile and resilient company.

At Fajarbaru, we understand our role as both a construction entity and a property developer in integrating sustainability into every facet of our business practices. As society grapples with contemporary sustainability challenges like climate change, biodiversity loss, increasing disparities, and ethical concerns, we endeavour to instituting robust governance mechanisms to oversee our commitment to sustainability.

To that end, we have entrusted the Sustainability Committee ("SC") with the responsibility of ensuring that our sustainability plan aligns seamlessly with our business strategy. This is particularly pertinent as Environmental, Social, and Governance ("ESG") considerations have taken center stage for stakeholders. Our goal is to become a more conscientious builder and property developer embracing sustainable principles and establish resilient processes and structures that prioritise the infusion of sustainability initiatives and objectives throughout our operations.

The strides and innovations we have achieved in the current financial year will serve as a solid foundation for the upcoming financial year. While fortifying the efficiency and resilience of our existing endeavours, we are concurrently advancing strategic new ventures, positioning ourselves well to confront the challenges of the future.

Dato' Sri Kuan Khian Leng
Group Chief Executive Officer

BOARD OF DIRECTORS

TAN SRI DATO' SRI CHAN KONG CHOY

Group Executive Chairman, Executive Director

Tan Sri Dato' Sri Chan Kong Choy, aged 68, male, a Malaysian, was appointed to the Board as Independent Non-Executive Chairman on 1 April 2021. He was re-designated as Group Executive Chairman on 16 December 2021.

Tan Sri Dato' Sri Chan 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 the Deputy Minister of Finance from 1999 to 2003. He became the Minister of Transport in 2003 until 2008.

Tan Sri Dato' Sri Chan is the Executive Chairman of P.A. Resources Berhad. He is currently the Adjunct Professor to the Faculty of Arts and Social Sciences, University of Malaya and was appointed to this position in 2017. He was also 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.

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 Peng Ching @ Kuan Peng Soon, aged 78, male, a Malaysian, was appointed to the Board as Non-Independent Non-Executive Deputy Chairman on 1 April 2021. Tan Sri Dato' Sri Kuan is a member of the Institution of Engineers, Malaysia (IEM). He graduated with a Bachelor of Engineering in Electrical Engineering from University of Adelaide, South Australia. 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.

Tan Sri Dato' Sri Kuan is a Non-Independent Non-Executive Deputy Chairman of Star Media Group Berhad and on the Board of Trustee of Star Foundation. He also sits on the board of several private companies.

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 47, male, a Malaysian, was appointed to the Board as Executive Director on 22 June 2017. He was re-designated as Group Chief Executive Officer on 1 April 2021. 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 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 has more than 20 years of experience in the banking, ICT, engineering and construction industries. He is also an Independent Non-Executive Director of OKA Corporation Bhd. He is currently the Vice President of Master Builders Association Malaysia (MBAM).

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.

TAN SRI DATUK SERI LAU KUAN KAM

Group Executive Director

Tan Sri Datuk Seri Lau Kuan Kam, aged 60, male, a Malaysian, was appointed to the Board as Group Executive Director on 3 December 2020.

Tan Sri 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, he 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. 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.

Tan Sri Datuk Seri Lau is the Group Managing Director and Executive Director of P.A. Resources Bhd. He was awarded numerous entrepreneurship recognition and titles throughout the years such as Malaysia Golden Entrepreneur Award and so on.

Tan Sri 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 46, male, a Malaysian, was appointed to the Board as Group Executive Director 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 21 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, Group Executive Chairman of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

DATO' LIM SIEW MEI

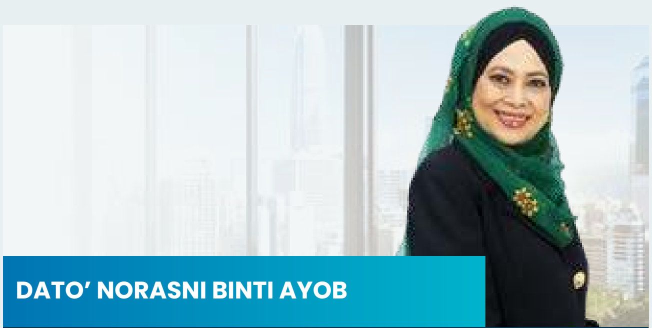
Non-Independent Non-Executive Director

Dato' Lim Siew Mei, aged 41, female, a Malaysian, was appointed to the Board as Non-Independent Non-Executive Director 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.

Dato' Lim is an Independent Non-Executive Director of P.A. Resources Bhd. She also holds directorships in several private limited companies and has more than 16 years of experience in various industry. She is primarily responsible for the day-to-day business operations, strategic planning, marketing developments and management decisions in timber and logging, construction and property development, plantation as well as hospitality 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.



DATO' NORASNI BINTI AYOB

Independent Non-Executive Director

Dato' Norasni Binti Ayob, aged 61, female, a Malaysian, was appointed to the Board as Independent Non-Executive Director 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.

DATUK YOO WEI HOW

Independent Non-Executive Director

Datuk Yoo Wei How, aged 50, male, a Malaysian, was appointed to the Board on 23 October 2023. He has a graduate diploma in Management, Institute of Professional Manager and Administration, UK and holds a Master of Science (Management) from Asia e University.

Datuk Yoo held the position of Private Secretary to the Minister of Human Resources in 1999. In 2003, he served as the Press Secretary to the Minister of Transport and subsequently in 2007, he assumed the role of Political Secretary to the Minister of Transport. Datuk Yoo was the Political Secretary to the Minister of Health in 2008 and in 2014, he was a Senator at the Upper House for the Parliament of Malaysia. Then, in 2018, he took on the role of Managing Director at PRG Agro Sdn Bhd, a subsidiary of PRG Holding Berhad.

Datuk Yoo has over two decades of extensive experience encompassing marketing, business development, public relations, training, and a diverse array of other fields. He has held various senior roles in a range of industries ranging from food and beverages, real estate, training, research, oil and gas and plantation companies. In the past few years, Datuk Yoo has actively participated in logging, teak wood plantation, timber export, Albizia planting, pineapple plantation, fruit branding and marketing, durian plantation, durian export and packaging.

Previously, Datuk Yoo held positions on the Board of Governors for SJK Sg Long and SMJK Keat Hwa and served as the advisor for Lions Club Kuala Lumpur/Selangor. Datuk Yoo currently holds the role of Vice President for the Malaysia One Belt One Road Council.

Datuk Yoo 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.

Datuk Yoo is a member of the Audit Committee and Remuneration Committee.

BOARD OF DIRECTORS (Cont'd)

OOI LENG CHOOI

Independent Non-Executive Director

Mr. Ooi Leng Chooi, CGMA, CA(M), CFP, aged 57, 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 as Executive Director on 12 December 2001. Then, he was re-designated as Non-Independent Non-Executive Director on 24 February 2016. Subsequently, he has re-designated as an Independent Non-Executive Director on 28 August 2018 and holding the same position as at to-date.

Mr. Ooi is also an Independent Non-Executive Director of Careplus Group Bhd. He has more than 23 years of working experience in handling corporate finance and general management with two (2) listed companies prior in joining FBG.

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 2023. 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**
Tan Sri Datuk Seri Lau Kuan Kam	Group Executive Director	**4/6**
Ir. Kong Kam Loong	Group Executive Director	**6/6**
Dato' Lim Siew Mei	Non-Independent Non-Executive Director	**5/6**
Dato' Norasni Binti Ayob	Independent Non-Executive Director	**6/6**
Datuk Yoo Wei How[1]	Independent Non-Executive Director	**N/A**
Ooi Leng Chooi	Independent Non-Executive Director	**6/6**
Dato' Ismail Bin Haji Omar[2]	Independent Non-Executive Director	**6/6**

* [1] *Appointed on 23 October 2023*
* [2] *Retired on 18 August 2023*

DATE, TIME AND VENUE OF BOARD MEETINGS

All Board Meetings for the financial year ended 30 June 2023 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
24 August, 2022 (Wednesday)	**11.00 a.m.**
15 September, 2022 (Thursday)	**10.30 a.m.**
20 October, 2022 (Thursday)	**10.30 a.m.**
23 November, 2022 (Wednesday)	**2.30 p.m.**
23 February, 2023 (Thursday)	**11.10 a.m.**
25 May, 2023 (Thursday)	**11.00 a.m.**

KEY MANAGEMENT TEAM

WONG WEE KEONG
Age 57, 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 37 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 47, 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 19 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.

COCO OOI PHEI PHEI
Age 36, Female, Malaysian

General Manager, Business Development, Marketing & Sales cum Customer Relationship Management

Ms. Coco Ooi has been with the company since February 2017. She has an International Executive Master in Business Administration (General Management) and a Diploma in Estate Management. She has 5 years of experience in Customer Relationship Management (CRM) with Mercedes Benz (Hap Seng Star). She started her property industry career in Malton Group Berhad and has been in the real estate industry for over 10 years. Her responsibilities include leading and managing the Marketing & Sales, CRM and Credit Admin team in formulating and executing strategic sales and marketing plans to drive sales performance and discovering and exploring business opportunities for the property division. She is also involved in the property product development and feasibility study to identify gaps, potentials and opportunities to expand market coverage.

LYE YEE SHIN
Age 54, Male, Malaysian

General Manager, Civil & Engineering

Mr. Lye Yee Shin has been with the company since March 2017. He graduated from Universiti Teknologi Malaysia with a Degree in Bachelor of Civil Engineering. He has more than 32 years of experience in the construction industry. He is primarily responsible for project management of the infrastructure construction division.

TS. TAN WEI OON
Age 40, Male, Malaysian

General Manager, Building

Ts. Tan Wei Oon has been with the company since November 2015. He graduated with a Master of Project Management and a Bachelor of Science degree in Construction Management from Universiti Tunku Abdul Rahman (UTAR). He has more than 17 years of experience in the construction industry. He is primarily responsible for the project management of the building construction division.

NG KOK WAI
Age 60, Male, Malaysian

Senior Operation Manager

Mr. Ng Kok Wai has been with the company since May 2014. He has over 34 years of corporate experience in Public Relations, Issues Management and Marketing. He started as a journalist for Nanyang Siang Pau in the 1980's for 12 years before heading Media and Marketing of Genting Malaysia Berhad (formerly Resorts World Bhd) for 10 years. He was appointed Press Secretary to the Minister of Transport between 2007 and 2008. He is responsible for the day-to-day business operations of the logging and timber trading division.

LEE KUN WAH
Age 60, Male, Malaysian

Senior Manager, Ecotourism

Mr. Lee Kun Wah has been with the company since March 2021. He graduated with a Bachelor's Degree in Economics from University Kebangsaan Malaysia. He has over 33 years of marketing experience in the tourism industry. He leads the Group's plantation and eco-tourism project at Port Dickson and oversees the operation at Port Dickson site.

JENNY FOO
Age 49, Female, Malaysian

Senior Manager, Group Marketing & Communication

Ms. Jenny Foo has been with the company since December 2017. She has a degree in Bachelor of Business majoring in Marketing and Management from University of Technology, Sydney and a Master in Sustainable Development Management Jeffrey Sachs Center, from Sunway University. She has more than 20 years of marketing communications and sales operations working experience in the automotive, construction, property and retail industries. She is responsible for the communications and marketing for the Group.

EVELYN ONG
Age 35, Female, Malaysian

Manager, Sustainability

Ms. Evelyn Ong has been with the company since February 2019. She graduated from the University of East London with a degree in Bachelor of Arts Honours, International Business. She started her career in manufacturing industry before her next adventure in automotive industry. She has more than 10 years of working experience with a demonstrated history of working in the automotive industry such as Ferrari, Maserati, Rolls-Royce, Jaguar Land Rover and Volvo in the marketing and CRM operations function. Her responsibilities include initiating the company's continuous improvement processes and sustainability practices.

Note:-

Save as disclosed, none of the above Key Management Team 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	2023 Amount (RM'000)	2022 Amount (RM'000)	Total Amount (RM'000)
i) Construction Segment	10,000	0	10,000
ii) Property Development Segment	2,980	7,020	10,000
iii) Investment for Plantation Segment	14,500	500	15,000
iv) Working Capital	1,481	0	1,481
v) Expenses in relation to Rights Issue	55	545	600
Total Utilisation	**29,016**	**8,065**	**37,081**

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

	The Group		The Company	
	2023 (RM'000)	2022 (RM'000)	2023 (RM'000)	2022 (RM'000)
i) Audit Fee	304	264	73	79
ii) Non-Audit Fee	9	5	9	5
Total fee payable to External Auditors	**313**	**269**	**82**	**84**

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 2023.

5. **Material Contracts involving directors and substantial shareholders**

There were no material contracts involving directors and substantial shareholders during the financial year ended 30 June 2023.

6. **Revaluation Policy**

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


DeSA Green
— KUALA KRAI, KELANTAN —
PERBANDARAN BERSEPADU
PERTAMA DI KUALA KRAI, KELANTAN
RESIDENSI
RESIDENSI
KOMUNITI ABADI
KOMUNITI ABADI
RESIDENSI
KOMERSIAL
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LINTASAN ANGGUN
KOMERSIAL
LALUAN PERSEKUTUAN 8

SUSTAINABILITY STATEMENT

Our financial year 2023 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.

Fajarbaru's commitment to sustainability drives us to create lasting value while minimising our environmental impact. ESG, which stands for Environmental, Social, and Governance, has emerged as a crucial and progressively integral aspect of businesses across various industries. The Group is fully aware about climate change and recognises the importance of reducing carbon emissions. We are currently in the midst of engaging consultants for our Group's ESG framework and Greenhouse Gas ("GHG") assessment as part of the commitment to continuous improvement. We recognise the importance of gaining a comprehensive understanding of our carbon footprint, identify emission reduction opportunities and align with global efforts to mitigate climate change. Moving forward, we aim to provide transparency to stakeholders about the Group's role in mitigating climate change.

Our core values of Integrity, Quality, Safety, Innovation and Respect are our main 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.

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 2022 to 30 June 2023.

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 2023 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 GOVERNANCE

At Fajarbaru, a sustainability governance structure's aim is to solidify the Group's commitment to ESG by integrating it into our sustainability strategy, thereby fostering accountability for both established initiatives and management processes.

Group's Sustainability Organisation Structure

The committee had monthly meetings to ensure our commitments and focus towards the Sustainable Development Goals ("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 since year 2022. 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.

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.

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 Committee ("SC" 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.

STAKEHOLDERS

The dynamic business landscape is undergoing rapid transformations, prompting us to delineate specific goals for every stakeholder group through well-defined 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 effectively address the unique needs of each stakeholder.

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

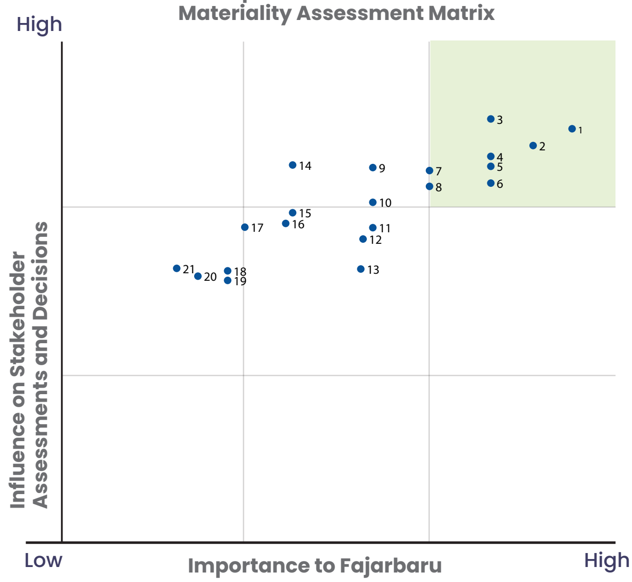
MATERIALITY

Fajarbaru had performed an internal materiality assessment in line with Bursa Malaysia's Sustainability Reporting Guide during financial year 2022. Selected key senior management 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 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.

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.

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.

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 Workspace
17.	Water Management
18.	Assessment of Suppliers' Environmental Practices
19.	Assessment of Suppliers' Social Practices
20.	Carbon Emissions
21.	Land and Biodiversity Management

EMBARKING ON DIGITALISATION

BUILDING INFORMATION MODELLING ("BIM")

An important development in the building and construction sectors is the use of QR codes into Building Information Modelling. Two-dimensional barcodes known as QR codes, or Quick Response codes, are capable of storing a variety of data. When used in BIM procedures, QR codes offer a useful and effective way to connect digital data with actual building components.

QR codes act as a link between on-site work and online information. This streamlined data access improves productivity and lowers errors.

The capacity to update data in real-time is one of the key benefits of integrating QR codes with a 3D BIM model. Updates to a component's specs in BIM models needs can be made in the database and taken into account right away when the QR code is scanned. The 3D BIM model and related data are accessible remotely thanks to QR codes. Field workers, inspectors, or project managers that require access to information while on-site may particularly benefit from this. With the help of their smartphones or tablets, they may instantly get data by scanning QR codes.

Collaboration among project stakeholders is facilitated by QR codes by integrating it in BIM Drawings. Access to the 3D BIM model and related data is available to architects, engineers, contractors, and owners, ensuring that everyone is on the same page throughout the course of the project. Information from a 3D BIM model may be accessed with the utmost ease using QR codes. The administration of complicated structures is now more widely available to a larger audience thanks to the ease with which anyone may acquire detailed data with just a quick scan.

In conclusion, the incorporation of QR codes into a 3D BIM model changes how we plan, build, and maintain infrastructure. Processes are streamlined, data accuracy is increased, and stakeholder participation is strengthened. This connection will probably grow increasingly more sophisticated as technology develops, bringing more advantages to the building, construction and facility management sectors.

3D BIM Model

QR code usage at one of the project sites

DIGITAL TRANSFORMATION ("DT")

The reliance on digital tools and technologies has accelerated during the pandemic. It enables companies to accelerate projects, reduce human errors, delays and costs. The Group initiated its digital transformation journey in April 2023 by implementing Microsoft 365 into our business operations. This brings better value to our stakeholders in meeting their needs and satisfactions. The DT initiative aim on improving digital literacy, enhancing proficiency with collaboration tools, and adapting to technology changes in the workplace. During the transition process, we encountered several challenges in our digital transformation journey within the workplace. These challenges were integral to our learning and growth as we adapted to new technologies and ways of working.

Moving forward, cybersecurity will be our next DT initiative as we are aware that cybersecurity has become a critical field to ensure the confidentiality of information. Our IT division will study and explore the latest end point solutions for improvement, as to stay ahead of cybercriminals and protect our server and end users. Meanwhile, we constantly send email reminders to all employees regarding the rise of cyber treats, to prevent any possible incidents.

ECONOMIC

The construction industry in Malaysia is projected to continue its recovery phase throughout 2023, with expected slow growth. This is primarily attributed to the rising costs of materials, operational challenges and labour shortages. Given the prevailing uncertainty, we remain vigilant and ready to adapt to any shifts in consumer patterns.

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

Supply chain management remains a crucial and integral component of the industry. Throughout the financial year 2023, Fajarbaru has maintained its commitment and prioritise to sourcing all materials from local suppliers and exclusively engaging local companies as our subcontractors.

We acknowledge the significance of environmental and social factors in our supply chain. To reinforce this commitment, we regularly conduct monthly awareness workshops for our employees, subcontractors, including newly appointed subcontractors. The objective is to ensure that everyone involved complies with all applicable laws and regulations. This helps ensure that all our employees and subcontractors are well-informed about our service quality requirements, aligning with the criteria outlined in the Quality Assessment System in Construction ("QLASSIC").

This initiative supports the external evaluation process conducted by CIDB for our completed building projects. Additionally, at each project site, our top priority is to ensure that subcontractors create a safe and healthy working environment for all employees.

We aim to conduct suppliers' sustainability assessment related to ESG as part of their onboarding tender process by 2022, however, the assessment has been deferred. We are currently in the process of identifying the challenges that may arise for our suppliers when the assessment takes place. This process will allow us to determine how suppliers and subcontractors managed their environmental and social impact in their operations and supply chain.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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 has taken great pride in its core value integrity, respect and professionalism in conducting business across the board. Adherence and observance of the core value is the key to ensure its continuous growth and excellent success with all its valued business partners. In accordance to the subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (MACC Act 2009), stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group has adopted a zero-tolerance approach againts 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 the ABC Policy, Fajarbaru observes a No-Gift practices, whereby employees are prohibited from soliciting or receiving any gifts from their associates and business partners which may influence the employee's judgement in the decision-making process or result in and appearance of conflict.

Whistleblowing Policy

Fajarbaru established a Whistleblowing Policy that provides a platform for all stakeholders to report any instance of mis-conduct 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.

The Group believes in transparency and fair treatment, and 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 2023. It is a norm at Fajarbaru that we continued in integrating human rights standards into practice at the workplace. We had initially aimed to develop human rights policy in this financial year 2023, however, this policy has been deferred due to the need for careful consideration of numerous aspects. The policy aspires to define best practices to combat discrimination, while making adjustments for diversity, achieving equality and fulfilling human rights.

PARTICIPATION IN INDUSTRY ENGAGEMENTS

Fajarbaru is committed and actively engages with the industry partners like MBAM, REHDA and CIDB through various meetings, workshops and trainings. We recognise the importance of collaborating with key stakeholders to foster innovation, share industry insights and contribute to the overall growth and sustainability of the construction and infrastructure sector.

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

Fajarbaru's current representatives in MBAM

DATO' SRI KUAN KHIAN LENG	**Vice President, MBAM (2022 – to-date)** **69th Anniversary Dinner, Organising Chairman MBAM (2022 – to-date)** **Awards & Constitution Committee, Deputy Chairman MBAM (2022 – to-date)** **Membership Committee, Advisor, MBAM (2022 – to-date)** **Council Member, MBAM (2014 – to-date)**

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

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 in year 2023 and obtained the certification.

SOCIAL

The Group focuses on safeguarding the health, safety and well-being of employees. 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 one of our fundamental core values, its importance cannot be overstated. Fajarbaru holds the ISO 45001:2018, Occupational Health and Safety ("OHS") Management System certification standard. We actively monitor, manage, and minimise OHS risks to prevent work-related injuries among our workers and ensure that we provide the safest and healthiest workplace for all our employees. This statement covers the reporting during the financial year 2023.

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, consisting 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.

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 2023, 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.

On 8 June 2023, the Safety & Health Department performed a building evacuation and fire drill exercise at Fajarbaru's headquarters.

EMPLOYEE TRAINING

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 2023, we achieved 2,751 hours of training for our employees throughout our business segments and the training hours was improved by 11% as compared to financial year 2022.

We conducts talks of related Sustainability in every quarterly townhall and employees attend external seminar or workshop.

Fajarbaru also continue to 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 2021-2023)

Financial Year	2021	2022	2023
Training Hours per year	2,325 hours	2,452 hours	2,751 hours

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

Average Training Hours provided	Construction	Property Development	Logging and Timber Trading	Trading	Logistics	Plantation	Average
Per employee	58.0	46.0	0.82	17.5	5.0	0.0	11.0
By Gender							
Male	29.8	24.4	0.82	N/A	5.0	0.0	11.0
Female	28.2	21.6	0.0	17.5	N/A	0.0	11.0

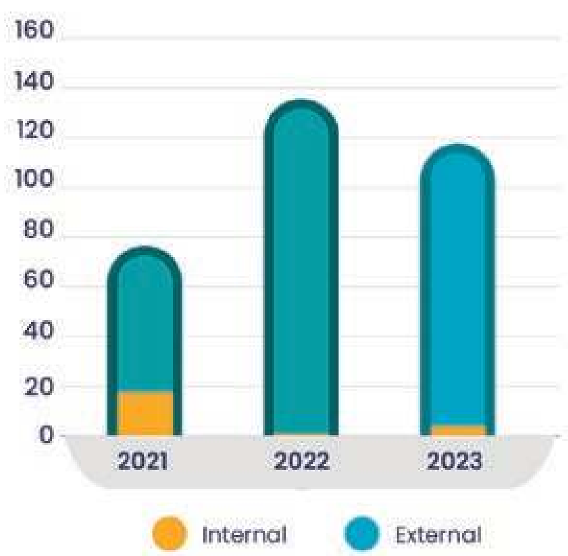
Fajarbaru holds the ISO 9001:2015 – Quality Management System for its Construction and Property Division. Our commitment is to ensure all employees in this division (excluding non-executive employees) to undergo at least 12 hours of training per year. Moving forward, we will study the feasibility of implementing an annual training target for employees in other business divisions through their performance appraisal. We aim to look for a better and effective solutions in tracking the training hours of each employee.

Employee training comprises the following categories:

Trainings and Talks Categories	
Accounting and Administration	Legal & Laws
BIM	Occupational Health & Safety
Construction	Presentation Skill
Digitalisation/Internet of Thing ("IoT")/ Software/Application	Quality Control and Assurance
Forest Plantation	Scheduled Wastes Management
HR	Sustainability/Sustainable/ESG/ Green Build/Net Zero
Internal Audit	Tax Compliance
ISO Compliance	

We adapt to the evolving situation of COVID-19 and continuously invest in training programs as well as conduct internal trainings to help employees excel in this dynamic environment. The number of training sessions attended by employees decreased during the financial year 2023, as employee focuses on relevant training based on their work needs. The training cost per employee has increased to RM300 as we encourage our employees to attend trainings or workshop.

Type of Training Activities



ESG has become a crucial element to any organisation's successful strategy. On 6 December 2022, Fajarbaru organised a Sustainability Awareness training conducted by SHEMSI for board of directors and senior management to participate. This awareness training gives an overview about Sustainability and how it can be applied in our business strategy and steps to institutionalisation.

On 8 March 2023, a scheduled waste management training for competent person was conducted to refresh new requirement in Schedule Waste management for our Competent Schedule Waste Handler.

On 16 and 17 May 2023, Basic Fire Fighting and Emergency Response Plan ("ERP") Training was conducted at Fajarbaru's headquarters.

Basic Occupational First Aider Training was conducted on 9 and 24 May 2023.

EMPLOYEE RIGHTS AND BENEFITS

At Fajarbaru, we believe in nurturing our employees' skills and capabilities to help them reach their full potential. We create a work environment that values and encourages excellence as part of our efforts to attract, motivate, and retain top 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 compliance of implementing 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
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

At the site projects, we ensure we meet the compliance of proper accommodation to foreign workers. We endeavour to obtain the certification of compliance minimum standards of Housing and Amenities Act 1990 (Act 446). Furthermore, we continue to conduct a weekly mass toolbox meeting for 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.

Company's Engagements

On 26 November 2022, Fajarbaru organised a company annual dinner and employees from all divisions and sites attended with the costume theme "Wild Wild West".

The company also recognised and reward staffs' yearly achievement during the dinner.

The campaign theme for 8 March 2023, International Women's Day ("IWD") is #EmbraceEquity.

Embracing equity goes hand in hand with fostering diversity and inclusion. At Fajarbaru, we have a Sexual Harassment Policy which provides for a safe working environment, and where their voices are heard and respected.

The company actively promotes physical fitness and well-being among its employees through a variety of initiatives and programs. Fajarbaru Sports Club organised badminton session and a bowling session.

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

Fajarbaru observes and celebrate major festivals in Malaysia.


The pandemic has brought increased attention to mental health and well-being and Fajarbaru cares about our employees. In conjunction with the World Health Day, Fajarbaru invited Dr. Komala Veni Rajoo from KMI Kelana Jaya Medical Centre to give a health talk on 7 April 2023. In addition to the health talk program, Sports Club also distributed pure healthy juice to all employees.

During the financial year 2023, Fajarbaru continues to conduct hybrid townhall session every quarter to keep employees at headquarters and from site offices informed on the latest updates of the company.

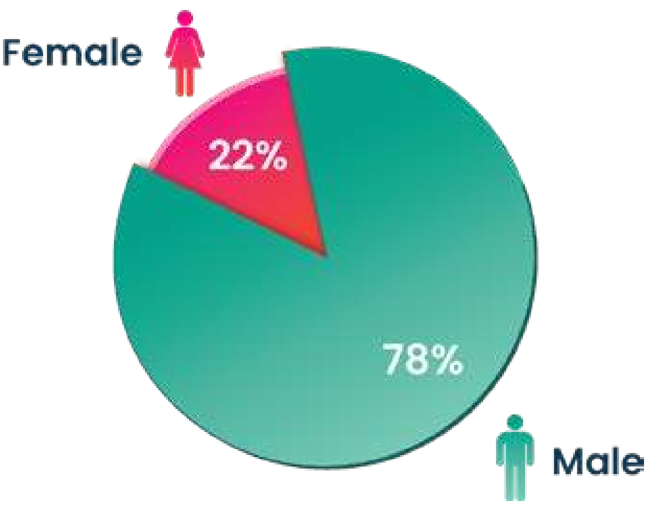
We also have a knowledge sharing session by one of our employees in any topic as it is a means to share and exchange knowledge and to build the confidence level of the employee in public speaking.

WORKFORCE DIVERSITY

In today's dynamic business environment, the significance and necessity of workforce diversity and inclusion are growing, as they are essential for the success of any industry and organisation. We recognise that we operate in industries have traditionally been male-dominated, and our business is continuously adapting to embrace new ways of working. We aim to promote equal opportunity and inclusivity throughout our recruitment process. In financial year 2023, there is a significant decrease of female employees in the workplace compared from last financial year. The huge change is due to more projects have kick started and the recruitment of male employees are crucial for the construction site office.

As at 30 June 2023, 250 people are employed in Fajarbaru Group of Companies.

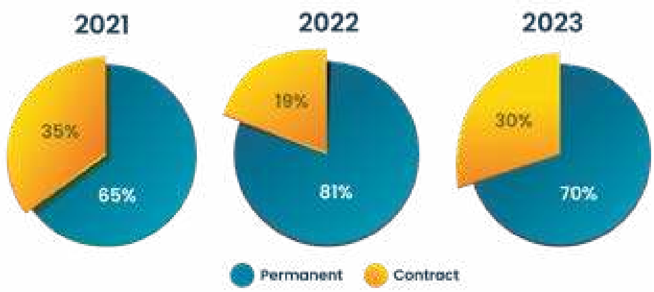
Promotion of Women in Board of Directors



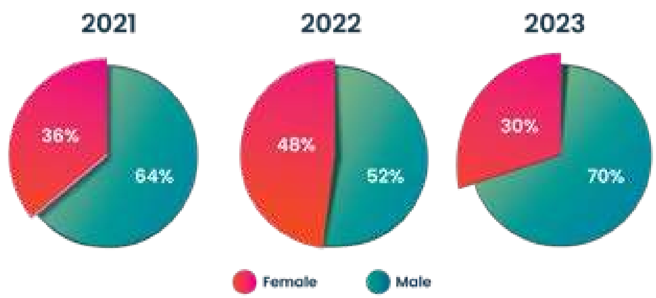
The promotion of Women in Board of Directors remain unchanged as compared to financial year 2022.

FAJARBARU Group of Companies Workforce

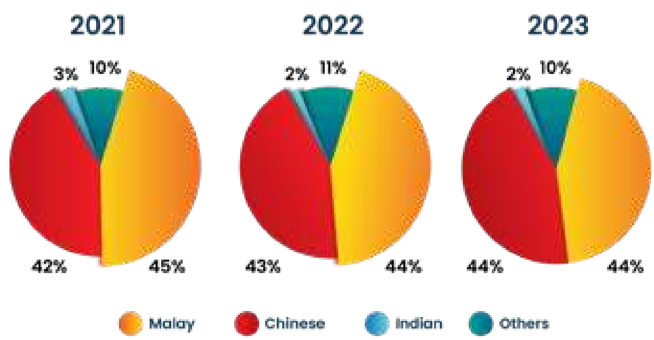
Employee Diversity by Employment Contract



Employee Diversity by Gender

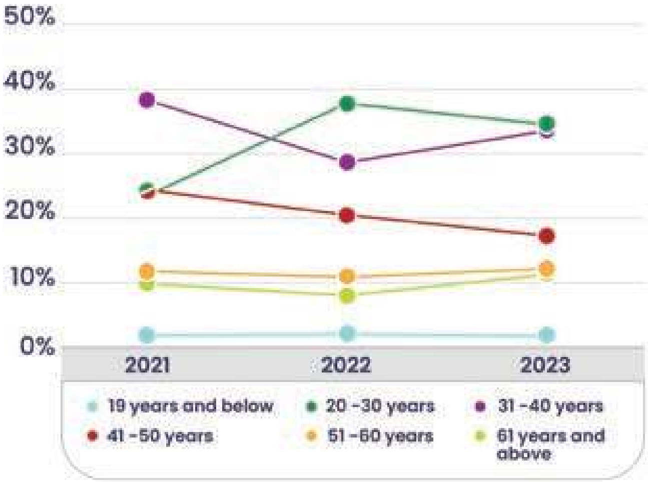


Employee Diversity by Ethnicity

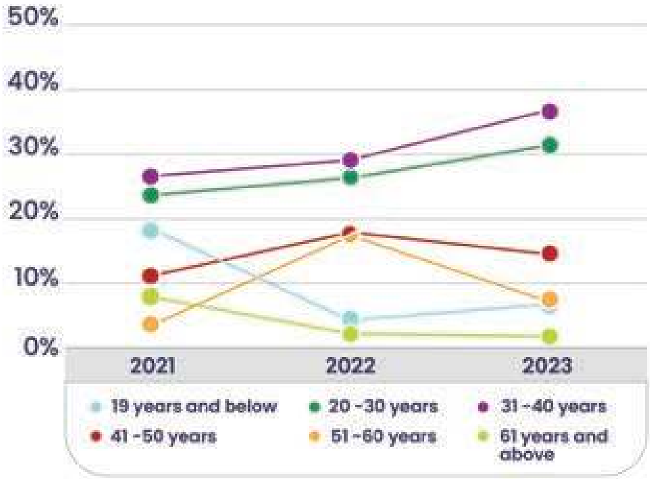


FAJARBARU Group of Companies Workforce

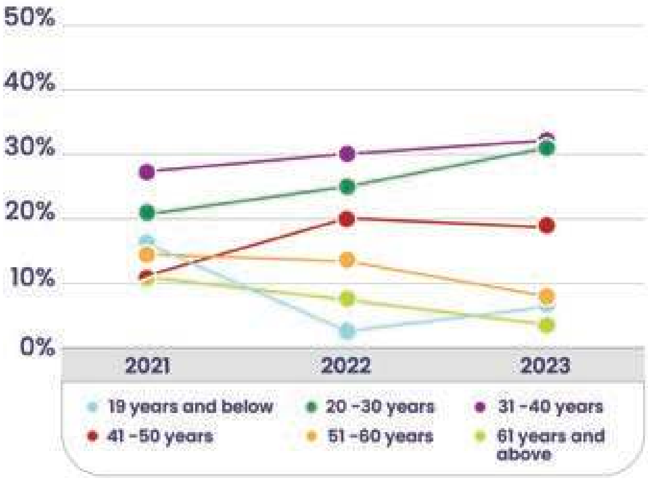
Employee Diversity by Age Group



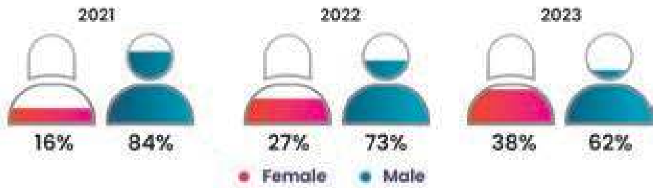
Employee New Hires by Age Group



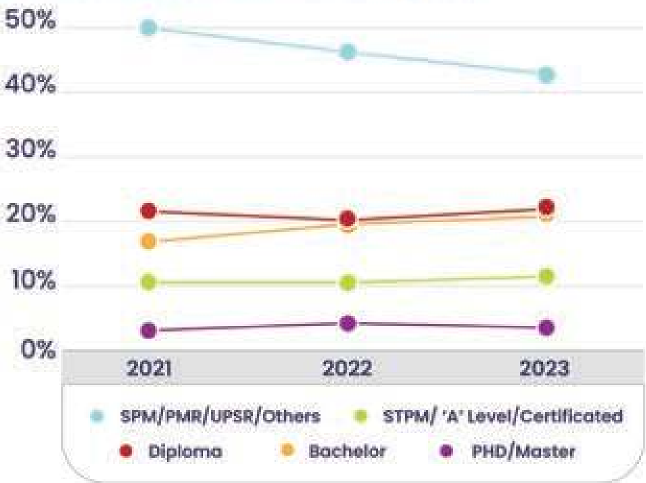
Employee Turnover Rates by Age Group



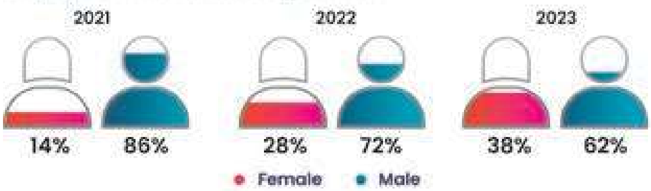
Employee New Hires by Gender



Employee Diversity by Education Background



Employee Turnover Rates by Gender



SERVICE QUALITY

Service quality has become increasingly crucial in today's business world, as it serves as the foremost factor in ensuring customer satisfaction. Meeting customer expectations not only fosters greater customer loyalty but also strengthens customer relationships. 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 2023, the team is in preparation for Integrated Management System ("IMS") External Audit, first surveillance audit for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System).

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

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

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

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

THE QLASSIC'S OBJECTIVE OF QUALITY ASSESSMENT SYSTEM

Quality Assessment System in Construction ("QLASSIC") assessment 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.

In addition to compliance to contract requirements to achieve a minimum 75% of QLASSIC score, we conduct monthly meetings in one of our projects, Duta Park Residence's Pre-Delivery Inspection ("PDI") stage. The assessment has been done in two stages – PDI 1 and PDI 2 daily.

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 via Customer Satisfaction Survey from our client on their satisfaction levels for the works delivered. 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

Our target was set to achieve 80% and above as a baseline 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. Fajarbaru also conducts market research for our planned property developments to understand customer needs and current trends better.

QLASSIC Accessor Course

Fajarbaru continues 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 community development is an integral part of our ongoing efforts. Fajarbaru is actively involved and committed to enhancing the quality of life in the communities where we operate.

On 2 November 2022, Fajarbaru organised a half day nature education programme by Free Tree Society ("FTS") for employees at Taman Tugu Kuala Lumpur. It creates 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.

Fajarbaru is delighted to collaborate with Connect.ED where we helped fund IT equipment to 10 students from SMK Seksyen 3 Bandar Kinrara on 14 December 2022.

Fajarbaru is one of the bronze sponsors for Walk Jog Wheel A Thon charity on 8 January 2023 at Dataran Merdeka. It is a fun walk with disabled to create public awareness and a platform for the disabled to participate in public events.

In March 2023, the company handed over 200 self-test kits to SJKT Ladang Kinrara.

Fajarbaru sponsored the SuperHeroes program for SJKT Ladang Kinrara for 100 students from Standard 6 on 27 September 2022. The SuperHeroes program make learning English fun, interactive and accessible and tailored specifically for the school and students.

World Autism Awareness Day which falls on April 2 is a day sanctioned by the United Nations ("UN") that recognises and celebrates the rights of people on the autism spectrum. In conjunction with the holy month of Ramadhan, delicious kuehs from Autism Cafe Project Malaysia, a cafe run by youth with autism were distributed to employees at the headquarters. Fajarbaru is giving back by supporting the autistic community and empowering youths to be independent.

In financial year 2023, 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.

Cybercrime continues to evolve and adapt to the changing digital landscape. It encompasses a wide range of illegal activities conducted through computer systems and the internet. In financial year 2023, Fajarbaru contributed RM10,000 to the Cybercrime Awareness Project, initiated by Lions Club of Kuala Lumpur Elite, part of Lions Club International, a worldwide non-profit voluntary. The club strives to raise and strengthen awareness on cybercrime with the objective to prevent our community from falling into such traps and crimes. We also offered our manpower and location for the video shooting.

ENVIRONMENT

This is our sixth year providing a systematic reporting on our environmental footprint as we recognise the importance of environment factors that our business activities have direct or indirect consequences on the wider environment. Therefore, our environmental disclosures are predominantly focused on the impacts created at the headquarters. In addition, we will also systematically report on the key environmental risks and impacts created at our project sites. The environmental policy can be viewed at www.fajarbaru.com.my/investor-relations/corporate-governance/.

Fajarbaru holds the ISO 14001:2018 Environmental Management System certification. In this aspect, Fajarbaru is committed to ensuring the proper disposal of any Scheduled Waste generated and to adhere to the monitoring requirements outlined in compliance with the Environmental Quality Act 1974 (Act 127). Furthermore, Fajarbaru continues to conduct monthly Environmental Monitoring of Air Quality, Noise generated, Vibration and Water Quality at all project sites to ensure the sustainability mother nature and the surrounding area of sites.

Water Quality Monitoring

Noise Monitoring

Vibration Monitoring

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

GREEN FEATURES

Vierra Residence @ Kinrara KL, one of Fajarbaru's property development projects, has been awarded the prestigious GreenRE SILVER Certification (Provisional) in the Residential Building and Landed Home category.

Furthermore, Vierra Residence also has been awarded the esteemed 2022 PropertyGuru Asia Awards in partnership with iProperty under the category of Best Value High-Rise Development.

The Wilds, our Australian property development in Northcote, Melbourne, 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.

On 7 December 2022, Fajarbaru collaborated with the Institute of Civil Engineers ("ICE") and the University Tunku Abdul Rahman ("UTAR") student chapter in hosting UTAR civil engineering students a site visit to Vierra Residence @ Kinrara, KL - working together to provide first-hand experience to the next generation of nation builders.

GO GREEN INITIATIVES

At Fajarbaru, we are dedicated to upholding the United Nations' Sustainable Development Goals in our daily operations. We believe a small step can make a meaningful contribution to reducing our impact on 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. In next financial year, we aim to collaborate with Electronic Waste ("e-waste") collector to run an e-waste campaign for our employees to recycle their old and unusable devices.

Regularly monitoring the condition of the office chairs is another green initiative at our headquarters as we prioritise the well-being of our employees. We sourced for office chair which is an environmental product, comes with lumbar support that provides a comfortable seating posture and ensuring an exceptional experience in the workplace.

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

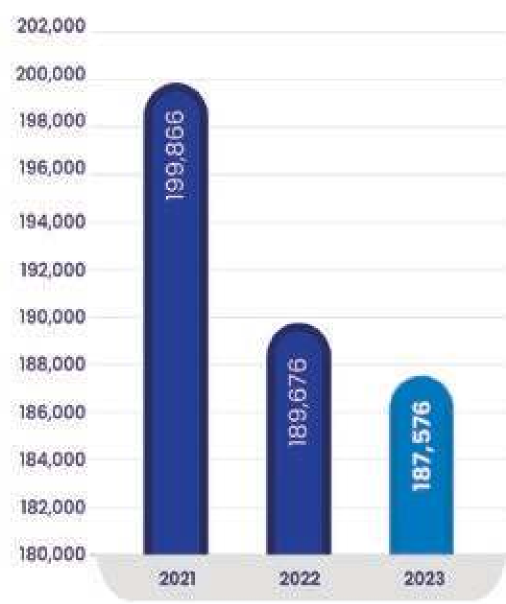
Sustainability Awareness Posting

During the financial year 2023, there are sustainability awareness posting to all employees including site offices via e-mail communication and social media. The postings create awareness and sharing of information related to sustainability and what the company or the employees can practice at the workplace. In addition, sustainability awareness talk has been conducted at every quarterly townhall session.

ENERGY MANAGEMENT

Reducing electricity consumption can lead to substantial cost savings for business but also a vital step toward a more sustainable and resilient future. Our electricity consumption at our headquarters for the current financial year amounts to 187.58 MWh, reflecting a slight decrease compared to the previous financial year's consumption, which stood at 189.68 MWh. Fajarbaru employees are reminded from time to time to continue 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. Other initiatives such as set timer are still in place on each water dispenser. Our annual target for reducing energy consumption remains at 5%. Moving forward, we aim to explore energy efficiency initiatives, such as solar power and other appropriate options for our headquarters.

Energy Consumption (kWh)



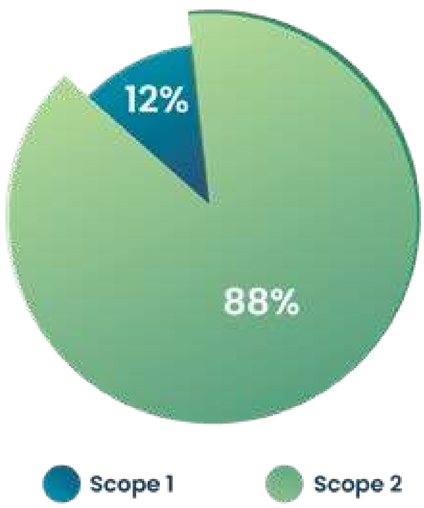
CARBON EMISSIONS

Reducing carbon emissions is essential for minimising one's carbon footprint and addressing the urgent challenges posed by climate change. 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.

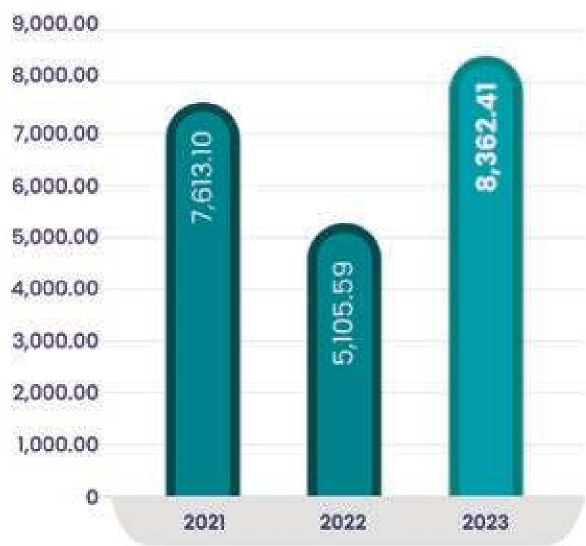
Our carbon emissions are attributed to the activities in our headquarters. In the financial year 2023, our carbon emissions amount to 165.88 metric tonnes of carbon emissions equivalent ("tCO2e"). This financial year, we have changed our approach and report our GHG emissions according to the GHG Protocol Corporate Standard.

Direct (Scope 1) emissions
Description: Emissions from sources that are owned or controlled by us. **Emission Source:** Company-owned vehicles designated as pooled cars. Emissions from the consumption of fuel for cars were derived using the emission factor published by the UK Government GHG Conversion Factors for Company Reporting 2022.
Energy Indirect (Scope 2) emissions
Description: Emissions from the generation of purchased or acquired electricity consumed by us. **Emission Source:** Electricity consumed within the headquarters in Kelana Jaya deemed to be within Fajarbaru's operational control. Emissions from the consumption of electricity were derived using the emission factor published by the Energy Commission of Malaysia.

Carbon Emissions Financial Year 2023



Petrol Consumption (litres)

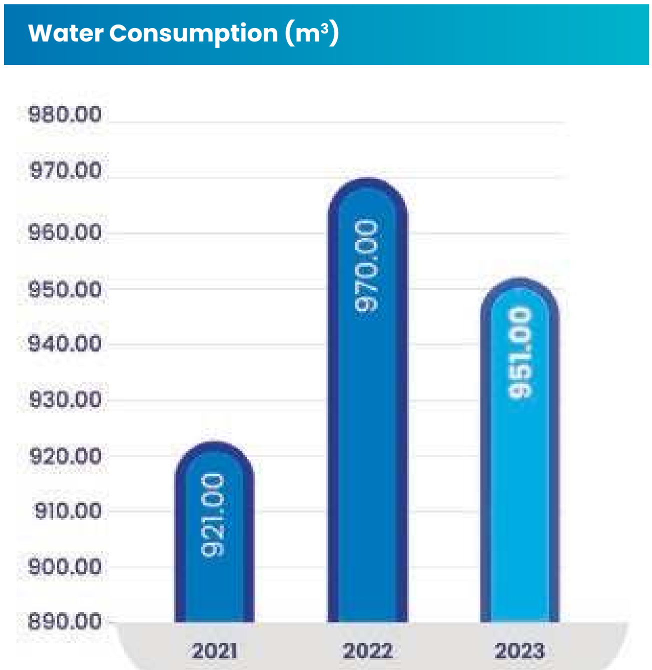


Our petrol consumption has increased during the financial year 2023 due to the initiation of more projects. Based on target set in 2021, we did not achieve the target of 5% petrol reduction.

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 951 litres of water at our headquarters in financial year 2023. Our water consumption at our headquarters reflecting a slight decrease compared to the previous financial year's consumption and the target of reducing 5% water consumption wasn't met in 2023. Monitoring measures are still in place by conducting regular checks and fixing any plumbing leaks in our office immediately when detected.



RESOURCES AND WASTE MANAGEMENT

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

A schedule waste management monitoring and storage was conducted monthly.

Furthermore, to make progress for the continuous improvement, 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

Fajarbaru is committed to taking measures to broaden the scope of our reporting across the Group. We aim to implement action steps that enable us to identify sustainability risks and impacts associated with our specific industry, geographical locations, and other unique circumstances. We will review existing policies to improve and align with our sustainability goals, initiatives and practices.

Therefore, we aim to engage consultant to study which approach would best suit Fajarbaru's diversified business activities. 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 2023 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 30 October 2023. 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/charter/

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 a 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 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.

Board Responsibilities (Cont'd)

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, an Executive Chairman who is responsible for instilling 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.

Board Responsibilities (Cont'd)

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

(i) Approval of corporate directions and plan

(ii) Approval of annual budgets / forecast

(iii) Approval of any Joint Venture

(iv) Approval of any material acquisitions and disposals of undertakings

(v) Changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits

(vi) Board appointment

(vii) Any matters / transactions that fall within the ambit of the Board pursuant to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia, Terms of Reference of the respective Board Committees or any other applicable rule.

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

The Board met six (6) times during the financial year ended 30 June 2023 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.

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;

Board Committees (Cont'd)

(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.

Two (2) 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.

Two (2) 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 93 to 95 of this Annual Report, while the responsibilities of Risk Management Committee set out on page 85 to 91 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.

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 licensed by The Companies Commission of Malaysia ("CCM"), satisfy 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, Board Committees meetings and general meetings.

Supported by Qualified and Competent Company Secretaries (Cont'd)

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries ("MACS"). He has more than 32 years of experience as a corporate secretary.

Ms. Lee Wai Ngan is a licensed Company Secretary. She has more than 41 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 in 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.

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

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

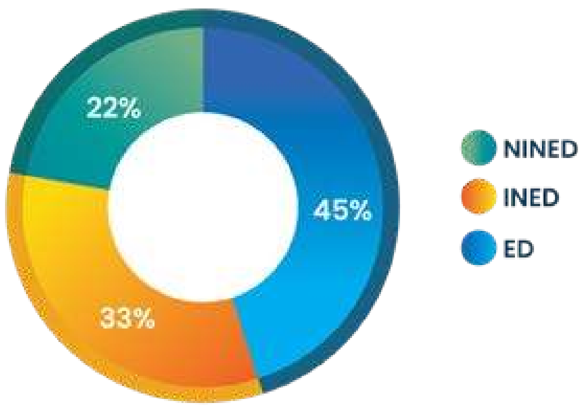
The Whistle-blowing Policy is posted on the Company's website under the Investor Relations segment at www.fajarbaru.com.my/investor-relations/corporate-governance/. Any improper conduct may be reported in writing directly to whistleblow@fajarbaru.com.my, which is accessible by the Chairman of the Audit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

Board Composition



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 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 the Board 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.

Composition and Balance (Cont'd)

Further, the current composition of the Board Committees comprise of all 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.

Appointments of the Board

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

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

Directors' Training

The Board acknowledges that continuous education is vital for its members to gain insight into the state of the economy, technological advances, latest regulatory developments and management strategies. All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa 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.

Directors' Training (Cont'd)

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 2023, 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.

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

DIRECTOR	TRAINING PROGRAMME
TAN SRI DATO' SRI CHAN KONG CHOY	• Tackling Practical Problems Faced by Taxpayers • Enterprise Risk Management
TAN SRI DATO' SRI KUAN PENG CHING @ KUAN PENG SOON	• ESG Training • Tackling Practical Problems Faced by Taxpayers
DATO' SRI KUAN KHIAN LENG	• Talk on Sustainability Financing for the Builts Environment • Asean Constructors Federation (ACF) Conference on Together Shaping the Future of Construction in ASEAN • Sustainability Awareness Training • Digital Construction Summit 2023 Accelerating Construction Through Digital Technologies
TAN SRI DATUK SERI LAU KUAN KAM	• Enterprise Risk Management
IR. KONG KAM LOONG	• Asean Constructors Federation (ACF) Conference on Together Shaping the Future of Construction in ASEAN • Sustainability Awareness Training • Digital Construction Summit 2023 Accelerating Construction Through Digital Technologies
DATO' LIM SIEW MEI	• Sustainability Awareness Training • Introduction to Forestry Certification and Development of Forest Management Plan to Start Certification
DATO' NORASNI BINTI AYOB	• Sustainability Awareness Training
OOI LENG CHOOI	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework • Sustainability Awareness Training
DATO' ISMAIL BIN HAJI OMAR[1]	• Tackling Practical Problems Faced by Taxpayers

* [1] *Retired on 18 August 2023*

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 2023 are as follows :-

Directors	Fees	Salaries	Bonus	Allowances	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	-	989	160	-	46	1	35	**1,231**
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	72	-	-	8	-	-	7	**87**
Dato' Sri Kuan Khian Leng	-	655	106	72	100	1	7	**941**
Tan Sri Datuk Seri Lau Kuan Kam	-	309	50	-	37	1	-	**397**
Ir. Kong Kam Loong	-	459	74	68	72	1	7	**681**
Dato' Lim Siew Mei	184	-	-	2	-	-	-	**186**
Dato' Norasni Binti Ayob	36	-	-	8	-	-	-	**44**
Ooi Leng Chooi	42	-	-	8	-	-	-	**50**
Dato' Ismail Bin Haji Omar[1]	42	-	-	2	-	-	-	**44**

* [1] *Retired on 18 August 2023*

Disclosure (Cont'd)

Remuneration	Executive Directors	Non-Executive Directors
RM 50,000 and below	-	3
RM 50,001 to RM 100,000	-	1
RM 150,001 to RM 200,000	-	1
RM 350,001 to RM 400,000	1	-
RM 650,001 to RM 700,000	1	-
RM 900,001 to RM 950,000	1	-
RM 1,200,001 to RM 1,250,000	1	-

The aggregate remuneration of Senior Management personnel for the financial year ended 30 June 2023 are as follows :-

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 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 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 93 to 95 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 Boards 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 85 to 91.

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 has the best of its ability and knowledge complied 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.

PART 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 85 to 91 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 95 of this Annual Report.

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

PART 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,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel: +603 – 7804 9698
Fax: +603 – 7804 3698 / 4849
Email : corporate@fajarbaru.com.my

PART 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 there to) 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 Analysis Matrix 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 analysed 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.

RISK MANAGEMENT FRAMEWORK (Cont'd)

All major risk that have an impact on the Group such as market, economic, environmental 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 Analysis Matrix and perform an independent review on the risk and internal control area and report to the Audit Committee on a quarterly basis.

The individual risks in the profile are analysed 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; and

(vi) Monitor and review risk levels to ensure that risk exposure remains within an acceptable level.

(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.

RISK MANAGEMENT FRAMEWORK (Cont'd)

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

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

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

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

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

4. **Environmental, Safety and Health**
   Adopting stringent monitoring controls on environmental, safety and health which are of utmost importance to the business.

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 2023 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.

Key Processes (Cont'd)

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".

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

- Quarterly review of financial information covering financial performance and quarterly financial results;
- Operational information and updates provided by management during the board meetings;
- Audit Committee's review and consultation with management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of systems of internal control from the Internal 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 follows:

- The Group has a defined organisation structure and each function and/or operating business segments is led by a head of department. The line of accountability, responsibility, approval, 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 a scheduled meetings. This oversight review enables the Board to evaluate and monitor the Group's business performance vis-à-vis its corporate objectives;

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

- 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;
- 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; and
- Whistle-Blowing Policy was established to provide avenue for whistle-blowing report and to promote good corporate governance.
- 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 Audit and Audit Committee and 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.

BOARD ASSURANCE AND LIMITATION

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

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

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

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

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in 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 year ended 30 June 2023 up to the date of this Statement.

This Statement on Risk Management and Internal Control was approved by the Board on 23 October 2023.

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 2023 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 2023.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2023, 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) [1]	Independent Non-Executive Director	5 / 5
Dato' Norasni Binti Ayob (Member)	Independent Non-Executive Director	5 / 5

** [1] Retired on 18 August 2023*

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

1. Reviewed the audited financial statements for the year ended 30 June 2023 and unaudited quarterly financial results announcement of the Group, prior to the Board's approval.

2. Reviewing with the External Auditors the scope of work and results of their examination together with the actions taken thereon.

3. Reviewing the scope and results of the Internal Audit procedures and reports as well as to recommend any necessary action to be taken by management.

4. Monitoring and reviewing the Financial and Operations Reports.

5. Reviewing any related party transaction that may arise within the Group of the Company.

TERMS OF REFERENCE

The terms of reference of the Committee is as follows:

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.

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 matter the External Auditors may wish to discuss;
5. to review the audit reports prepared by the Internal and External Auditors, the major findings and management's responses thereto;
6. to review the adequacy of the scope, functions and resources of the Internal Audit department and that it has the necessary authority to carry out its work;
7. to review any appraisal or assessment of the performance of members of the Internal Audit department;
8. to approve any appointment or termination of senior executives in the Internal Audit department;
9. to review related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
10. any such other functions as may be agreed to by the Committee and the Board.

The Audit Committee has established an Auditor Independence Policy, which setting out the 5-year rotation and cooling off requirement. 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.

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 RM252,695 (Year 2022: RM246,601). The attainment of such objectives involves the following activities being carried out :-

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

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

Additional Information:

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 2023.

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
(Loss)/Profit after taxation for the financial year	(16,639)	15,913
Attributable to:-		
Owners of the Company	(14,448)	15,913
Non-controlling interests	(2,191)	-
	(16,639)	**15,913**

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 2023 on 28 December 2022.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

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

As at 30 June 2023, 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 of the treasury shares are disclosed in Note 23 to the financial statements.

WARRANTS

On 15 October 2021, the Company issued 370,806,692 warrants pursuant to the Rights Issue on the basis of one (1) Warrant for every one (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. These warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 25 October 2021. Any warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

As at 30 June 2023, the total number of warrants that remain unexercised were 370,806,692 units.

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.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

CONTINGENT AND OTHER LIABILITIES (Cont'd)

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
Tan Sri Datuk Seri Lau Kuan Kam
Ir. Kong Kam Loong
Dato' Lim Siew Mei
Dato' Norasni Binti Ayob
Ooi Leng Chooi
Datuk Yoo Wei How (Appointed on 23 October 2023)
Dato' Ismail Bin Haji Omar (Retired on 18 August 2023)

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
Dato' Wong Siong Hwee
Wong Wee Keong
Tan Ting Lih
Chan Jiaheng
Wong Kar Hee
Dr. Saw Aik (Appointed on 1 September 2022)
Toh Teong Hock (Resigned on 19 January 2023)

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 1.7.2022	Bought	Sold	At 30.6.2023
The Company				
Direct Interests				
Tan Sri Dato' Sri Kuan Peng Ching @Kuan Peng Soon	58,422,600	-	-	58,422,600
Tan Sri Datuk Seri Lau Kuan Kam	5,386,200	300,000	-	5,686,200
Ir. Kong Kam Loong	211,600	-	-	211,600
Dato' Ismail Bin Haji Omar	17,269	-	-	17,269
Dato' Lim Siew Mei	8,800,100	-	-	8,800,100
Ooi Leng Chooi	33,800	-	-	33,800
Indirect Interests				
Tan Sri Dato' Sri Chan Kong Choy *	5,698,000	-	-	5,698,000
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon **	15,678,800	-	-	15,678,800
Dato' Sri Kuan Khian Leng ***	74,101,400	-	-	74,101,400
Tan Sri Datuk Seri Lau Kuan Kam ^	29,077,200	3,609,000	-	32,686,200
Dato' Lim Siew Mei #	9,848,700	-	-	9,848,700

	Number of Warrants			
	At 1.7.2022	Granted	Lapsed	At 30.6.2023
The Company				
Direct Interests				
Tan Sri Dato' Sri Kuan Peng Ching @Kuan Peng Soon	30,162,000	-	-	30,162,000
Tan Sri 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 1.7.2022	Granted	Lapsed	At 30.6.2023
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
Tan Sri Datuk Seri Lau Kuan Kam ^	18,544,300	3,196,300	-	21,740,600
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.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

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
Fees	376	228
Salaries, bonuses and other benefits	2,942	-
Defined contribution benefit	255	-
Others	26	27
	3,599	**255**

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors were RM56,800 and RM56,800 respectively.

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 subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

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 RM313,100 and RM82,000 respectively.

Signed in accordance with a resolution of the directors dated 23 October 2023.

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 110 to 218 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 2023 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 23 October 2023

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 110 to 218 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 23 October 2023

Tan Ting Lih

Before me
Yokheswarem A/L M. Thirunadesan (No. W-540)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To The Members of Fajarbaru Builder Group Bhd. (Incorporated in Malaysia)
Registration No: 199301026907 (281645 - U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fajarbaru Builder Group Bhd., which comprise the statements of financial position as at 30 June 2023 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 110 to 218.

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 2023, 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.

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), 4.26(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.

Revenue recognition and contract assets and liabilities
Refer to Notes 4.13, 4.26(d), 16 and 36 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
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.	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.

Key Audit Matters (Cont'd)

Recoverability of trade receivables
Refer to Notes 4.14(a), 15, 53.1(b)(iii) to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As at 30 June 2023, trade receivables that were past due and not impaired amounted to RM24.47 million. The details of the trade receivables and their credit risks are disclosed in Note 15 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.	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.

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.

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

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

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

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

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

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

23 October 2023

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2023

	Note	The Group 30.6.2023 RM'000	The Group 30.6.2022 RM'000 (Restated)	The Group 1.7.2021 RM'000 (Restated)	The Company 30.6.2023 RM'000	The Company 30.6.2022 RM'000
ASSETS						
NON-CURRENT ASSETS						
Investments in subsidiaries	5	-	-	-	269,839	248,839
Investments in associates	6	32,609	29,248	23,560	20	20
Property, plant and equipment	7	32,980	29,869	28,581	*	3
Investment properties	8	44,798	45,103	44,129	-	-
Right-of-use assets	9	1,311	707	6,997	-	-
Investment securities	10	10,020	10,610	22,930	10,020	10,610
Intangible assets	11	369	348	215	-	-
Goodwill		7	7	7	-	-
Prepayments	12	46,624	10,979	12,872	-	-
Inventories	13	13,711	13,711	-	-	-
		182,429	140,582	139,291	279,879	259,472
CURRENT ASSETS						
Inventories	13	24,852	66,340	115,962	-	-
Contract cost assets	14	61,233	2,801	-	-	-
Trade receivables	15	53,982	71,012	51,454	-	-
Other receivables, deposits and prepayments	12	20,308	15,501	12,679	1	2
Contract assets	16	36,887	66,403	14,528	-	-
Amount owing by subsidiaries	17	-	-	-	67,397	38,539
Amount owing by associates	18	31,294	39,275	31,784	-	4
Short-term investments	19	57,952	101,608	40,577	2,555	43,707
Current tax assets		9,376	8,526	9,379	-	-
Fixed deposits with licensed banks	20	17,879	9,397	10,149	-	-
Cash and bank balances	21	76,751	39,851	69,051	1,136	1,300
		390,514	420,714	355,563	71,089	83,552
TOTAL ASSETS		572,943	561,296	494,854	350,968	343,024

Note:
* Amount less than RM500.

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

	Note	The Group 30.6.2023 RM'000	The Group 30.6.2022 RM'000 (Restated)	The Group 1.7.2021 RM'000 (Restated)	The Company 30.6.2023 RM'000	The Company 30.6.2022 RM'000
EQUITY AND LIABILITIES						
EQUITY						
Share capital	22	221,534	221,534	194,303	221,534	221,534
Treasury shares	23	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)
Warrant reserve	24	9,535	9,535	-	9,535	9,535
Other reserve	25	1,110	1,110	1,110	-	-
Fair value reserve	26	4,108	4,698	14,084	4,108	4,698
Foreign exchange translation reserve	27	(543)	(957)	(952)	-	-
Retained profits		133,894	155,759	148,896	117,230	108,734
Equity attributable to the owners of the Company		367,983	390,024	355,786	350,752	342,846
Non-controlling interests	5	15,221	12,328	12,623	-	-
TOTAL EQUITY		383,204	402,352	368,409	350,752	342,846
NON-CURRENT LIABILITIES						
Deferred tax liabilities	28	7,573	8,263	8,263	-	-
Long-term borrowings	29	14,620	3,639	1,491	-	-
		22,193	11,902	9,754	-	-
CURRENT LIABILITIES						
Trade payables	33	52,110	40,632	32,220	-	-
Contract liabilities	16	32,967	7,750	5,600	-	-
Other payables and accruals	34	15,289	23,216	27,183	113	100
Amount owing to an associate	18	80	28	23	25	-
Short-term borrowings	35	65,452	70,760	49,324	-	-
Current tax liabilities		1,648	4,656	2,341	78	78
		167,546	147,042	116,691	216	178
TOTAL LIABILITIES		189,739	158,944	126,445	216	178
TOTAL EQUITY AND LIABILITIES		572,943	561,296	494,854	350,968	343,024

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
REVENUE	36	224,057	190,165	16,274	3,319
COST OF FINISHED GOODS	37	(22,029)	(43,621)	-	-
OTHER INCOME	38	8,815	3,857	1,523	754
PROJECT EXPENSES		(170,485)	(113,340)	-	-
STAFF COSTS	39	(17,616)	(16,398)	(301)	(320)
DEPRECIATION	41	(900)	(785)	(3)	(3)
OTHER EXPENSES	42	(9,626)	(9,239)	(1,366)	(516)
PROFIT FROM OPERATIONS		12,216	10,639	16,127	3,234
FINANCE COSTS	43	(2,185)	(1,054)	(1)	(9)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	44	(28,499)	13	-	-
		(18,468)	9,598	16,126	3,225
SHARE OF RESULT IN ASSOCIATES	6	7,747	5,693	-	-
(LOSS)/PROFIT BEFORE TAXATION		(10,721)	15,291	16,126	3,225
INCOME TAX EXPENSE	45	(5,918)	(4,888)	(213)	(236)
(LOSS)/PROFIT AFTER TAXATION		(16,639)	10,403	15,913	2,989
OTHER COMPREHENSIVE (EXPENSE)/INCOME					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Fair value changes of equity instruments		(590)	(4,090)	(590)	(4,090)
		(590)	(4,090)	(590)	(4,090)

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

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
OTHER COMPREHENSIVE (EXPENSE)/INCOME (CONT'D)					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		(1)	2	-	-
Share of other comprehensive expense of equity accounted associates		415	(7)	-	-
		414	(5)	-	-
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE FINANCIAL YEAR		(16,815)	6,308	15,323	(1,101)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(14,448)	8,984	15,913	2,989
Non-controlling interests		(2,191)	1,419	-	-
		(16,639)	10,403	15,913	2,989
TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(14,624)	4,889	15,323	(1,101)
Non-controlling interests		(2,191)	1,419	-	-
		(16,815)	6,308	15,323	(1,101)
(LOSS)/EARNINGS PER SHARE (SEN)					
- Basic	46	(1.95)	1.44		
- Diluted	46	(1.95)	1.44		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2023

	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 1.7.2021		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 (expense)/ 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 (expense)/ income for the financial year		-	-	-	-	(4,090)	(5)	8,984	4,889	1,419	6,308
Balance carried forward		194,303	(1,655)	-	1,110	9,994	(957)	157,880	360,675	14,042	374,717

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	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 brought forward		194,303	(1,655)	-	1,110	9,994	(957)	157,880	360,675	14,042	374,717
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.

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 30 June 2023 (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											
Balance at 1.7.2022		221,534	(1,655)	9,535	1,110	4,698	(957)	155,759	390,024	12,328	402,352
Loss after taxation for the financial year		-	-	-	-	-	-	(14,448)	(14,448)	(2,191)	(16,639)
Other comprehensive (expense)/ income for the financial year:											
- fair value changes of equity instruments		-	-	-	-	(590)	-	-	(590)	-	(590)
- share of other comprehensive income of an equity accounted associate		-	-	-	-	-	415	-	415	-	415
- foreign currency translation		-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive (expense)/ income for the financial year		-	-	-	-	(590)	414	(14,448)	(14,624)	(2,191)	(16,815)
Balance carried forward		221,534	(1,655)	9,535	1,110	4,108	(543)	141,311	375,400	10,137	385,537

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 brought forward		221,534	(1,655)	9,535	1,110	4,108	(543)	141,311	375,400	10,137	385,537
Contributions by and distribution to owners of the Company											
- Dividends	47	-	-	-	-	-	-	(7,417)	(7,417)	-	(7,417)
- Issuance of shares to non-controlling interests by a subsidiary		-	-	-	-	-	-	-	-	5,084	5,084
Total transactions with owners		-	-	-	-	-	-	(7,417)	(7,417)	5,084	(2,333)
Balance at 30.6.2023		221,534	(1,655)	9,535	1,110	4,108	(543)	133,894	367,983	15,221	383,204

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

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 30 June 2023 (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							
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 expense for the financial year:							
- fair value changes of equity instruments		-	-	-	(4,090)	-	(4,090)
Total comprehensive expense 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.

	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 1.7.2022		221,534	(1,655)	9,535	4,698	108,734	342,846
Profit after taxation for the financial year		-	-	-	-	15,913	15,913
Other comprehensive expense for the financial year: - fair value changes of equity instruments		-	-	-	(590)	-	(590)
Total comprehensive income for the financial year		-	-	-	(590)	15,913	15,323
Distribution to owners of the Company: - Dividends	47	-	-	-	-	(7,417)	(7,417)
Balance at 30.6.2023		221,534	(1,655)	9,535	4,108	117,230	350,752

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(10,721)	15,291	16,126	3,225
Adjustments for:-				
Amortisation of intangible assets	(21)	34	-	-
COVID-19-related rent concessions received	-	(28)	-	-
Depreciation on property, plant and equipment	5,690	12,285	3	3
Depreciation on right-of-use assets	697	624	-	-
Dividend income	-	-	(15,805)	(2,665)
Gain on disposal of property, plant and equipment, net	(3,023)	(133)	-	-
Gain on lease modification	(1)	-	-	-
Interest expenses	2,211	1,075	1	9
Interest income	(1,195)	(1,515)	(659)	(427)
Investment properties written off	290	-	-	-
Net impairment losses on financial assets and contract assets	28,499	(13)	-	-
Property, plant and equipment written off	4	6	-	6
Share of result in associates	(7,747)	(5,693)	-	-
Unrealised (gain)/loss on foreign exchange	(1,198)	888	-	-
Operating profit/(loss) before working capital changes	13,485	22,821	(334)	151
Decrease in inventories	41,488	35,911	-	-
(Increase)/Decrease in trade and other receivables	(23,868)	(20,423)	1	1
Decrease/(Increase) in contract assets and liabilities	26,680	(49,725)	-	-
Increase in contract cost assets	(58,432)	(2,801)	-	-
Increase/(Decrease) in trade and other payables	3,551	4,445	13	(176)
Decrease/(Increase) in amount owing by subsidiaries company	-	-	1,090	(659)
CASH FROM/(FOR) OPERATIONS	2,904	(9,772)	770	(683)
Income tax paid	(10,466)	(1,720)	(213)	(105)
Interest paid	(43)	(43)	(1)	(9)
Interest received	166	1,037	11	43
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(7,439)	(10,498)	567	(754)

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

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(29,300)	(17,822)
Addition in investment properties		(169)	(1,256)	-	-
Addition of intangible assets		-	(167)	-	-
Additional investments in an existing subsidiary		-	-	(21,000)	-
Acquisition of an associate		-	(3)	-	-
Dividends received		4,800	-	15,805	2,665
Disposal of investment securities		-	8,230	-	8,230
Interest received		1,029	478	-	-
Proceeds from disposal of property, plant and equipment		3,837	189	-	-
Proceeds from issuance of shares to non-controlling interests		5,084	-	-	-
Purchase of property, plant and equipment	48(a)	(8,892)	(3,802)	-	(12)
Repayment from/(Advances to) associates		8,796	(8,374)	29	2,701
Withdrawal of fixed deposits with licensed banks		400	752	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		14,885	(3,953)	(34,466)	(4,238)

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

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 30 June 2023 (Cont'd)

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from rights issue		–	36,766	–	36,766
Dividends paid	47	(7,417)	(7,417)	(7,417)	(7,417)
Dividends paid to non-controlling interests by a subsidiary		–	(1,714)	–	–
Interest paid		(2,168)	(1,032)	–	–
Repayment of hire purchase	48(b)	(2,017)	(3,160)	–	–
Drawdown/(Repayment) of revolving credit, net	48(b)	260	(260)	–	–
(Repayment)/Drawdown of invoice financing facility, net	48(b)	(2,247)	2,905	–	–
Repayment of lease liabilities	48(b)	(678)	(595)	–	–
Drawdown of term loans, net	48(b)	9,787	3,806	–	–
(Repayment)/Drawdown of bill discounting, net	48(b)	(13,345)	13,345	–	–
Drawdown of promissory note, net	48(b)	12,070	3,635	–	–
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(5,755)	46,279	(7,417)	29,349
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,691	31,828	(41,316)	24,357
EFFECT OF EXCHANGE DIFFERENCES		435	3	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		141,459	109,628	45,007	20,650
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48(d)	143,585	141,459	3,691	45,007

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

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. 3A, Mezzanine Floor, 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 23 October 2023.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework

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 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 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 Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	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
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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:-

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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.

(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 15 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.

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 amount of contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

(i) Revenue Recognition for Construction Contracts

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

(j) Income Taxes

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax assets	9,376	8,526	-	-
Current tax liabilities	1,648	4,656	78	78

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

Classification between Investment Properties and Owner-occupied Properties

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

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

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities 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.

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 immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

(c) Foreign Operations

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

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

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

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

(b) Financial Liabilities

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

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) 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 discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) Treasury Shares

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

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

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

(d) Derecognition

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

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

(e) Financial Guarantee Contract

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

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 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES

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

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

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2023. 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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

4.9 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the correspoding 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.

4.10 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 cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use. 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 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.

4.12 CONTRACT COST ASSETS

(a) Incremental Costs of Obtaining Contracts

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

(b) Costs to Fulfil A Contract

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

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

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

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.

4.14 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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

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

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

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

(b) Impairment of Non-financial Assets

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

An impairment loss is recognised in profit or loss immediately.

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

4.15 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 INVENTORIES

(a) Property Development

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

(i) Land held for future property development

Land held for future property development represents land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Land held for future property development is stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of land, conversion fees and other relevant levies 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 land held for future property development will be the best available measure of the net realisable value.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property Under Development for Sale

The cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and 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 of completed properties held for sale comprises cost associated with the purchase of land, construction costs and other related development 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 all 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.

4.23 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.

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 warrants.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 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. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. 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.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

4.26 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

(c) Property Development Activities

Revenue from property development 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. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

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

A receivable is recognised when the development activities are carried out 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. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

4.27 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

(d) Management Fees

Management fees are recognised when services are rendered.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 July 2022/2021	250,667	250,667
Addition during the financial year	21,000	-
At 30 June 2023/2022	271,667	250,667
Accumulated impairment losses	(1,828)	(1,828)
	264,839	248,839

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 2023 %	2022 %	Principal Activities
Subsidiaries of the Company				
Asiahub Trading Sdn. Bhd.	Malaysia	100	100	Provision of trading of construction materials
Billion Variety Sdn. Bhd. ("BVSB")	Malaysia	51	51	Logging and trading of timbers
Fajarbaru Builder Sdn. Bhd. ("FBSB")	Malaysia	100	100	General contractors in construction
Fajarbaru Land (M) Sdn. Bhd. ("FLMSB")	Malaysia	100	100	Investment holding and provision of management services to its subsidiary
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
Fajarbaru Trading Sdn. Bhd.	Malaysia	100	100	Provision of trading of construction materials
FB Event Sdn. Bhd. ("FBESB")	Malaysia	100	-	Event management

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
		2023 %	2022 %	
Subsidiaries of the Company (Cont'd)				
FB Wellness Sdn. Bhd. ("FBWSB")	Malaysia	100	-	Property development and management of medical operation related activities
Potential Region Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiaries of the FLMSB				
Fajarbaru-Beulah (Melbourne) Pty. Ltd. ("FBM") @	Australia	51	51	Property development
Fajarbaru Land Sdn. Bhd.	Malaysia	100	100	Property development
Fajarbaru Real Development Sdn. Bhd. ("FRDSB") #	Malaysia	55	55	Property development
FB Cemara Sdn. Bhd. ("FBCSB") #	Malaysia	100	100	Property development
Renowaja Sdn. Bhd.	Malaysia	100	100	Property development
Wajatex Sdn. Bhd.	Malaysia	100	100	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	70	Logging and trading of timbers
Subsidiary of the FPSB				
Fajarbaru Agriculture Sdn. Bhd. ("FASB")	Malaysia	91	91	Plantation

Notes:

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

- *In the previous financial year, the consolidation was done based on the management finacial statements as the financial position, results and cash flows of these subsidiary companies were insignificant.*

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

During the current financial year, the Company incorporated the following companies:-

(a) On 4 July 2022, the Company incorporated a subsidiary known as FBWSB with an issued and paid-up share capital of RM100 comprising 100 ordinary shares. Following the completion of the subscription, FBWSB became a wholly-owned subsidiary of the Company.

(b) On 19 August 2022, the Company further subscribed an additional 21,000,000 ordinary shares at RM1 each in FBSB, a wholly-owned subsidiary of the Company, for a total consideration of RM21,000,000, which to be paid in cash. There is no changes in the equity interest of the Company in FBSB.

(c) On 4 October 2022, the Company incorporated a subsidiary known as FBESB with issued and paid-up share capital of RM100 comprising 100 ordinary shares. Following the completion of the subscription, FBESB became a wholly-owned subsidiary of the Company.

In the previous financial year, the Company incorporated the following companies:-

(a) On 28 March 2022, FPSB, a wholly-owned subsidiary of the Company, incorporated a subsidiary known as FASB with issued and paid-up share 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 share 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 share capital of RM100 comprising 100 ordinary shares. FLMSB subscribed for 55 ordinary shares, hence FRDSB became an 55%-owned subsidiary of the Company.

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

	Effective Equity Interest		The Group	
	2023 %	**2022 %**	**2023 RM'000**	**2022 RM'000**
BVSB Group	49	49	11,442	12,347
FRDSB	45	45	3,892	-
Others			(113)	(19)
			15,221	12,328

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	
	2023 RM'000	2022 RM'000
At 30 June		
Non-current assets	11,063	11,104
Current assets	12,545	16,382
Current liabilities	(149)	(2,180)
Net assets	23,459	25,306
Financial Year Ended 30 June		
Revenue	2,354	15,096
(Loss)/Profit for the financial year/Total comprehensive (expense)/income	(1,848)	2,954
Total comprehensive (expense)/income attributable to non-controlling interests	(905)	1,447
Dividends paid to non-controlling interests	-	1,714
Net cash (for)/from operating activities	(333)	4,328
Net cash from investing activities	103	222
Net cash for financing activities	-	(3,518)

6. INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Unquoted shares, at cost	11,958	11,958	20	20
Share of post-acquisition profit	20,651	17,290	-	-
	32,609	29,248	20	20

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2023 %	Effective Equity Interest 2022 %	Principal Activities
Associates of the Company				
BFB Project Pty. Ltd. ("BFB")*	Australia	44	44	Property development
Beulah FB Fitzroy Pty. Ltd. ("BFBF")*	Australia	45	45	Property development
Beulah Northcote Land Pty. Ltd. ("BNLPT")*	Australia	49	49	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

Notes:

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

- The associate was audited by other firms.

6. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	BFB Group	
	2023 RM'000	**2022 RM'000**
At 30 June		
Non-current assets	33,280	59,699
Current assets	128,923	161,513
Non-current liabilities	(22,479)	(69,964)
Current liabilities	(84,127)	(101,750)
Non-controlling interests	(28,194)	(25,137)
Net assets	27,403	24,361
Financial Year Ended 30 June		
Revenue	16,810	172,399
Profit for the financial year	4,191	5,330
Non-controlling interests	(2,095)	(2,666)
Profit attributable to owners of the associate	2,096	2,664
Other comprehensive income/(expense)	946	(16)
Total comprehensive income	3,042	2,648
Group's share of profit for the financial year	2,395	1,184
Group's share of other comprehensive income/(expense)	415	(7)
Carrying amount of the Group's interests in this associate	13,637	10,827

	BNLPT	
	2023 RM'000	**2022 RM'000**
At 30 June		
Current asset/Net asset	18,831	18,517
Carrying amount of the Group's interests in this associate	8,930	8,930

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	
	2023 RM'000	**2022 RM'000**
At 30 June		
Non-current assets	16,369	27,353
Current assets	36,264	25,686
Non-current liabilities	(835)	(256)
Current liabilities	(1,520)	(5,320)
Net assets	50,278	47,463
Financial Year Ended 30 June		
Revenue	77,965	68,007
Profit for the financial year/Total comprehensive income	26,815	26,960
Group's share of profit for the financial year/Other comprehensive income	5,363	5,392
Dividend received	(4,800)	(880)
Carrying amount of the Group's interests in this associate	10,042	9,491

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2022 RM'000	Additions RM'000	Disposal/ Write off RM'000	Transfer From (Note 8) RM'000	Depreciation Charges RM'000	At 30.6.2023 RM'000
2023						
Carrying Amount						
Freehold land	5,518	-	-	-	-	5,518
Buildings	1,094	-	-	-	(28)	1,066
Plant and machinery	20,479	907	(814)	-	(5,167)	15,405
Motor vehicles	781	289	-	-	(341)	729
Furniture, fittings and office equipment	159	149	(4)	-	(102)	202
Renovations	70	-	-	-	(52)	18
Land development expenditure, fish pond and equipment	11	-	-	-	-	11
Immature bearer plants	1,650	2,428	-	-	-	4,078
Telecommunication equipment	*	-	-	-	-	*
Capital work-in-progress	107	5,662	-	184	-	5,953
	29,869	9,435	(818)	184	(5,690)	32,980

Note:
*Amount less than RM500.

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

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	-	-	1,512	-	5,518
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	*	-	-	-	-	*
Capital work-in-progress	-	107	-	-	-	107
	33,981	6,723	(62)	1,512	(12,285)	29,869

Note:
*Amount less than RM500.

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

The Company	At 1.7.2022 RM'000	Addition RM'000	Write Off RM'000	Depreciation Charge RM'000	At 30.6.2023 RM'000
2023					
Carrying Amount					
Office equipment	3	-	-	(3)	*

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
2023				
Freehold land	7,742	-	(2,224)	5,518
Buildings	1,526	(460)	-	1,066
Plant and machinery	68,578	(52,416)	(757)	15,405
Motor vehicles	7,864	(7,135)	-	729
Furniture, fittings and office equipment	2,168	(1,966)	-	202
Renovations	1,477	(1,459)	-	18
Land development expenditure, fish pond and equipment	59	(48)	-	11
Immature bearer plants	4,078	-	-	4,078
Telecommunication equipment	20	(20)	-	*
Capital work-in-progress	5,953	-	-	5,953
	99,465	(63,504)	(2,981)	32,980

Note:
*Amount less than RM500.

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
2022				
Freehold land	7,742	-	(2,224)	5,518
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)	-	*
Capital work-in-progress	107	-	-	107
	99,704	(66,854)	(2,981)	29,869

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
2023				
Office equipment	14	(14)	-	*
2022				
Office equipment	14	(11)	-	3

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 RM2,067,000 (2022 - RM2,086,000) 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 RM6,986,000 (2022 - RM8,881,000) and RM540,000 (2022 - RM702,000) 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.

8. INVESTMENT PROPERTIES

	The Group 2023 RM'000	2022 RM'000
At cost:-		
At 1 July 2022/2021	45,715	45,971
Add: Additional Cost	169	1,256
Less: Transfer to property, plant and equipment (Note 7)	(184)	(1,512)
Less: Written off during the financial year	(290)	-
	45,410	45,715
Less: Accumulated impairment losses	(612)	(612)
At 30 June	44,798	45,103
Fair value	52,165	49,684

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.

Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

9. RIGHT-OF-USE ASSETS

The Group	At 1.7.2022 RM'000	Additions RM'000	Depreciation Charges RM'000	Derecognition Due to Lease Modification RM'000	At 30.6.2023 RM'000
2023					
Carrying Amount					
Land lease	-	589	(66)	-	523
Office equipment	15	-	(3)	-	12
Office premises	-	113	(14)	-	99
Plant and machinery	303	366	(326)	(13)	330
Shop lots	389	246	(288)	-	347
	707	1,314	(697)	(13)	1,311

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

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

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

(i)	Land lease	The Group has entered into 1 non-cancellable operating lease agreement for the use of land. The leases are for a period of 3 years with an option to renew the lease after that date.
(ii)	Office equipment	The Group leases 1 (2022 - 1) office equipment with remaining period of 4 (2022 - 5) years.
(iii)	Office premises	The Group leases 1 office premise for a period of 2 years, with an option to renew the lease after that date.
(iv)	Plant and machinery	The Group leases 7 (2022 - 3) plant and machinery between 2 and 3 (2022 - 2) years.
(v)	Shop lots	The Group leases 6 (2022 - 3) shop lot units between 1 and 5 (2022 - 1) years, 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	
	2023 RM'000	2022 RM'000
Quoted shares, at fair value	10,020	10,610

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

11. INTANGIBLE ASSETS

	The Group	
	2023 RM'000	2022 RM'000
Transferable club membership, at cost	375	375
Trademarks	10	10
	385	385
Accumulated amortisation:-		
At 1 July 2022/2021	(37)	(3)
Amortisation/Adjustment during the financial year	21	(34)
At 30 June	(16)	(37)
	369	348

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Non-current assets:- Prepayments	(a)	46,624	10,979	-	-
Current assets:- Other receivables					
- Third parties		3,719	1,049	-	1
- Goods and services tax recoverable		7	7	-	-
		3,726	1,056	-	1
Advances to subcontractors		2,542	1,357	-	-
Deposits		7,112	6,065	1	1
Prepayments	(a)	6,928	7,023	*	*
		20,308	15,501	1	2
		66,932	26,480	1	2

Note:
* Amount less than RM500.

	The Group	
	2023 RM'000	2022 RM'000 (Restated)
Other receivables	8,069	5,399
Allowance for impairment losses	(4,343)	(4,343)
	3,726	1,056

(a) Included in prepayments are advance payments of RM49,650,000 (2022 - RM13,780,000) made for the future supply of timber logs. The cost of timber logs extracted/supplied will be progressively set off against the advance payments.

13. INVENTORIES

	The Group	
	2023 RM'000	2022 RM'000
Non-current		
Land held for future property development	13,711	13,711
Current		
Timber:		
- work-in-progress	991	991
- finished goods	-	542
Property development costs	21,135	60,344
Completed development units	467	2,189
Others	2,259	2,274
	24,852	66,340
Recognised in profit or loss:-		
Inventories recognised as cost of sales	82,996	49,294

Included in property development costs is a piece of freehold land, which are pledged as security for term loan facilities of a subsidiary as disclosed in Note 32 to the financial statements.

14. CONTRACT COST ASSETS

	The Group	
	2023 RM'000	2022 RM'000
Incremental costs of obtaining a contract	7,363	-
Costs to fulfill a contract	53,870	2,801
	61,233	2,801

(a) The incremental costs of obtaining contracts primarily comprise sales commission and other incremental costs paid to secure sales contracts for the Company's property development activities. These contract costs are recoverable and amortised over the period in which the related revenue is recognised. During the financial year, the amount amortised and recorded in profit or loss amounted to RM1,230,000 (2022 - Nil).

(b) The costs to fulfil a contract represent cost incurred that is used to fulfil the contract in the future. The costs are to be amortised over the period, consistent with the pattern of recognition of the associated revenue. During the financial year, the amount amortised and recorded in profit or loss amounted to RM8,862,000 (2022 - RM7,000).

15. TRADE RECEIVABLES

	The Group	
	2023 RM'000	2022 RM'000
Trade receivables	55,110	91,951
Allowance for impairment losses	(1,128)	(20,939)
	53,982	71,012
Allowance for impairment losses:- At 1 July 2022/2021	(20,939)	(20,952)
Addition during the financial year (Note 44)	(684)	-
Reversal during the financial year (Note 44)	238	13
Written off during the financial year	20,257	-
At 30 June	(1,128)	(20,939)

The Group's normal trade credit terms range from 30 to 90 days (2022 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM'000	**2022 RM'000**
Contract Assets		
Contract assets in relation to: - construction	65,075	76,147
Allowance for impairment losses	(28,188)	(9,744)
	36,887	66,403
Allowance for impairment losses:- At 1 July 2022/2021	(9,744)	(9,744)
Addition during the financial year (Note 44)	(28,188)	-
Reversal during the financial year (Note 44)	135	-
Written off during the financial year	9,609	-
At 30 June	(28,188)	(9,744)
Contract Liabilities		
Contract liabilities in relation to: - property development	(29,127)	(2,153)
- construction	(3,840)	(5,597)
	(32,967)	(7,750)

(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. The amount will be recognised as revenue when the performance obligations are satisfied.

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	
	2023 RM'000	2022 RM'000
At 1 July 2022/2021	58,653	8,928
Revenue recognised in profit or loss during the financial year	214,446	114,117
Billings to customers during the financial year	(252,448)	(70,789)
Retention sum	6,872	6,397
Reversal of liquidated ascertained damages	4,450	-
Net impairment losses recognised in profit or loss	(28,053)	-
At 30 June	3,920	58,653
Represented by:-		
Contract assets	36,887	66,403
Contract liabilities	(32,967)	(7,750)
	3,920	58,653

(d) The amount disclosed include provision for liquidated ascertained damages ("LAD") amounting to RM3,840,000 (2022 - 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 RM1,035,827,000 (2022 - RM681,937,000). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2023 RM'000	2022 RM'000
Within 1 year	501,498	321,522
Between 2 and 5 years	534,329	360,415
	1,035,827	681,937

17. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Amount owing by:-		
Trade balances	55	1,145
Non-trade balances:		
- Interest-bearing at 2.08% to 2.53% (2022 - 1.58% to 1.75%) per annum	47,267	29,872
- Interest-free	20,075	7,522
	67,397	38,539

(a) The trade balances are subject to the normal credit term of 60 (2022 - 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Money market funds, at fair value	57,952	101,608	2,555	43,707

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 2.25% to 2.80% (2022 - 1.55% to 2.10%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2022 - 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 RM8,997,000 (2022 - RM9,397,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 32 to the financial statements.

21. CASH AND BANK BALANCES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	31,931	39,256	1,136	1,300
Cash held under housing development accounts	44,820	595	-	-
	76,751	39,851	1,136	1,300

Cash held under housing development accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2022. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

22. SHARE CAPITAL

	The Group/The Company			
	2023	2022 Number Of Shares	2023 RM'000	2022 RM'000
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July 2022/2021	744,689,148	373,882,456	221,534	194,303
Issuance of new shares pursuant to rights issue	-	370,806,692	-	27,231
At 30 June	744,689,148	744,689,148	221,534	221,534

(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) In the previous financial year, the Company increased its issued and paid-up share capital from RM194,303,000 to RM221,534,000 by issuance 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 2023, 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 ordinary shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

24. WARRANT RESERVE

Warrants 2022/2026 ("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.

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

	The Group/The Company	
	2023/2022 Number of Warrants	2023/2022 RM'000
At 30 June/1 July 2022/2021	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	
	2023 RM'000	**2022 RM'000**
Deferred tax liabilities		
At 1 July 2022/2021	8,263	8,263
Recognised in profit or loss (Note 45)	(690)	-
As at 30 June	7,573	8,263

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

	The Group	
	2023 RM'000	**2022 RM'000**
Deferred tax assets:-		
Others	(690)	-
Deferred tax liabilities:-		
Investment properties	7,393	7,393
Accelerated capital allowances	870	870
	8,263	8,263

29. LONG-TERM BORROWINGS

	The Group	
	2023 RM'000	2022 RM'000
Lease liabilities (Note 30)	689	148
Hire purchase payables (Note 31)	1,631	2,198
Term loans (Note 32)	12,300	1,293
	14,620	3,639

30. LEASE LIABILITIES

	The Group	
	2023 RM'000	2022 RM'000
At 1 July 2022/2021	724	332
Addition (Note 9 and 48(a))	1,314	1,015
Derecognition due to lease modification	(14)	-
COVID-19-related rent concessions received	-	(28)
Interest expense recognised in profit or loss (Note 43)	49	35
Repayment of principal	(678)	(595)
Repayment of interest expense	(49)	(35)
At 30 June	1,346	724
Analysed by:-		
Current liabilities (Note 35)	657	576
Non-current liabilities (Note 29)	689	148
	1,346	724

31. HIRE PURCHASE PAYABLES

	The Group	
	2023 RM'000	2022 RM'000
At 1 July 2022/2021	4,136	4,375
Addition	543	2,921
Interest expense recognised in profit or loss (Note 43)	182	249
Repayment of principal	(2,017)	(3,160)
Repayment of interest expense	(182)	(249)
At 30 June	2,662	4,136
Analysed by:- Current liabilities (Note 35)	1,031	1,938
Non-current liabilities (Note 29)	1,631	2,198
	2,662	4,136

32. TERM LOANS

	The Group	
	2023 RM'000	2022 RM'000
Current liabilities (Note 35)	1,293	2,513
Non-current liabilities (Note 29)	12,300	1,293
	13,593	3,806

The term loans are secured by:-

(a) a third party and a first party charge over a piece of freehold land as disclosed in Note 13 to the financial statements;

(b) a debenture for RM26,000,000 over fixed and floating assets, both present and future;

(c) fixed deposits with licensed banks of the Group as disclosed in Note 20 to the financial statements;

(d) a corporate guarantee of the Company; and

(e) joint and several guarantees by shareholders of a subsidiary.

33. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2022 - 30 to 90) days.

Included in the trade payables of the Group at the end of the reporting period is an amount of RM13,607,000 (2022 - 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	4,002	1,611	20	10
Accruals	10,953	18,855	93	90
Deposits received	334	2,750	-	-
	15,289	23,216	113	100

35. SHORT-TERM BORROWINGS

	The Group	
	2023 RM'000	2022 RM'000
Lease liabilities (Note 30)	657	576
Hire purchase payables (Note 31)	1,031	1,938
Term loans (Note 32)	1,293	2,513
Invoice financing facility	1,766	4,013
Revolving credit	45,000	44,740
Bill discounting	-	13,345
Promissory note	15,705	3,635
	65,452	70,760

35. SHORT-TERM BORROWINGS (CONT'D)

(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 follows:-

	The Group	
	2023 %	2022 %
Lease liabilities	3.70 - 6.17	5.89 - 5.98
Hire purchase payables	3.60 - 6.57	3.60 - 6.57
Term loans	6.25 - 6.60	5.06
Invoice financing facility	3.94 - 5.38	3.68 - 4.06
Revolving credit	5.82	4.56 - 4.61
Bill discounting	-	3.68 - 3.70
Promissory note	5.20 - 5.42	3.85 - 4.07

36. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from Contracts with Customer				
Recognised over time				
Construction contracts	146,166	114,055	–	–
Property development	67,825	62	–	–
Services	1,260	957	–	–
	215,251	115,074	–	–
Recognised at a point in time				
Completed properties	2,697	54,329	–	–
Trading	5,827	15,578	–	–
	8,524	69,907	–	–
	223,775	184,981	–	–
Revenue from Other Sources				
Rental income	–	3,943	–	–
Management fee	23	52	210	345
Investment fund income	259	309	259	309
Dividend income	–	880	15,805	2,665
	282	5,184	16,274	3,319
	224,057	190,165	16,274	3,319

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 50.2 to the financial statements.

(b) The information on the unsatisfied performance obligation is disclosed in Note 16(e) to the financial statements.

37. COST OF FINISHED GOODS

Costs of finished goods comprise original costs of purchase plus the costs incurred in bringing the goods to the present location.

38. OTHER INCOME

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
COVID-19-related rent concessions	-	28	-	-
Gain on disposal of property, plant and equipment	3,023	133	-	-
Gain on foreign exchange:				
- unrealised	1,198	-	-	-
Gain on investment funds:				
- realised	1,481	141	864	44
- unrealised	1,187	435	-	283
Interest income:				
- licensed banks	808	208	11	-
- short-term highly liquid investment bank	49	25	-	-
- short-term investments	172	245	*	43
- subsidiaries	-	-	648	384
- overdue interest	166	1,037	-	-
Insurance claims received	5	144	-	-
Management fees	120	120	-	-
Rental income	83	-	-	-
Others	523	1,341	-	-
	8,815	3,857	1,523	754

Note:
* Amount less than RM500.

39. STAFF COSTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages, bonus and allowances	21,246	20,145	228	273
Defined contribution plan	2,086	2,136	-	-
Other staff related expenses	1,646	1,515	73	47
	24,978	23,796	301	320
Less: Amount classified as:				
- cost of finished goods	(622)	(1,293)	-	-
- project expenses	(6,740)	(6,105)	-	-
	17,616	16,398	301	320

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM3,599,000 (2022 - RM2,925,000) and RM255,000 (2022 - RM273,000) 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fees	376	409	228	273
Salaries, bonuses and other benefits	2,942	2,271	-	-
Defined contribution plan	255	231	-	-
Others	26	14	27	-
	3,599	2,925	255	273

41. DEPRECIATION

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of property, plant and equipment	5,690	12,285	3	3
Depreciation of right-of-use assets	697	624	-	-
Amortisation/Adjustment of intangible assets	(21)	34	-	-
	6,366	12,943	3	3
Less: Amount classified as project expenses	(5,466)	(12,158)	-	-
	900	785	3	3

42. OTHER EXPENSES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in other expenses are:				
Auditors' remuneration:				
- audit fee:				
- Crowe Malaysia PLT				
- statutory audit for the financial year	304	264	73	79
- overprovision in the previous financial year	(8)	(2)	-	-
- non-audit fee:				
- Crowe Malaysia PLT	9	5	9	5
Lease expenses:				
- short-term leases	51	54	*	*
- low-value assets	*	-	-	-
Property, plant and equipment written off	4	6	-	6
Loss on foreign exchange:				
- realised	395	-	-	-
- unrealised	-	888	-	-
Unrealised loss on investment funds	257	-	257	-

Note:
* Amount less than RM500.

43. FINANCE COSTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on:				
- lease liabilities	49	35	–	-
- hire purchase	182	249	–	-
- term loans	335	85	–	-
- invoice financing	130	61	–	-
- revolving credit	736	445	–	-
- bill discounting	150	41	–	-
- promissory note	586	116	–	-
- others	43	43	1	9
	2,211	1,075	1	9
Less: Amount classified as project expenses	(26)	(21)	–	-
	2,185	1,054	1	9

44. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2023 RM'000	2022 RM'000
Impairment losses:		
- trade receivables (Note 15)	684	-
- contract assets (Note 16)	28,188	-
Reversal of impairment losses:		
- trade receivables (Note 15)	(238)	(13)
- contract assets (Note 16)	(135)	-
	28,499	(13)

45. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense:				
- for the financial year	2,500	5,791	200	145
- under/(over)provision in the previous financial year	4,108	(903)	13	91
	6,608	4,888	213	236
Deferred tax expense (Note 28):				
- relating to originating and recognition of temporary differences	(690)	-	-	-
	(690)	-	-	-
	5,918	4,888	213	236

45. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit before taxation	(10,721)	15,291	16,126	3,225
Tax at the statutory tax rate of:-				
- Malaysia 24%	(2,570)	3,683	3,870	774
- Australia 30%	(4)	(18)	-	-
Tax effects of:-				
Share of result in associates	(1,859)	(1,366)	-	-
Non-deductible expenses	623	2,273	3	57
Non-taxable gains	(170)	(839)	(3,673)	(686)
Deferred tax assets not recognised during the financial year	7,952	2,184	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(2,162)	(126)	-	-
Under/(Over)provision of current tax in the previous financial year	4,108	(903)	13	91
Income tax expense for the financial year	5,918	4,888	213	236

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 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.

45. INCOME TAX EXPENSE (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Unused tax losses:		
- expiring within 5 years	2,510	4,426
- expiring within 6 to 10 years	12,980	13,628
Unabsorbed capital allowances	1,693	823
Other deductible temporary differences	26,127	309
	43,310	19,186

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

46. (LOSS)/EARNINGS PER SHARE

	The Group	
	2023	**2022**
Basic (loss)/earnings per share		
(Loss)/Profit attributable to owners of the Company (RM'000)	(14,448)	8,984
Number of shares in issue as of 1 July 2022/2021	741,613,384	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)	741,613,384	623,767,970
Effect of warrants*	-	-
Weighted average number of ordinary shares in issue (Diluted)	741,613,384	623,767,970
Basic (loss)/earnings per ordinary share attributable to owners of the Company (sen)	(1.95)	1.44
Diluted (loss)/earnings per ordinary share attributable to owners of the Company (sen)	(1.95)	1.44

* 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	
	2023 RM'000	**2022 RM'000**
Paid:		
- interim single-tier dividend of 1.00 sen per ordinary share in respect of financial year ended 30 June 2022	-	7,417
- interim single-tier dividend of 1.00 sen per ordinary share in respect of financial year ended 30 June 2023	7,417	-
	7,417	7,417

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	
	2023 RM'000	2022 RM'000
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	9,435	6,723
Less: Acquired through hire purchase arrangements (Note (b) below)	(543)	(2,921)
	8,892	3,802

	The Group	
	2023 RM'000	2022 RM'000
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	1,314	1,015
Less: Addition of new lease liabilities (Note (b) below)	(1,314)	(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	Invoice Financing RM'000	Revolving Credit RM'000	Bill Discounting RM'000	Promissory Note RM'000	Total RM'000
2023								
At 1 July 2022	724	4,136	3,806	4,013	44,740	13,345	3,635	74,399
Changes in Financing Cash Flows								
Proceeds from drawdown	-	-	12,300	10,320	185,709	24,750	66,069	299,148
Repayment of principal	(678)	(2,017)	(2,513)	(12,567)	(185,449)	(38,095)	(53,999)	(295,318)
Repayment of interest	(49)	(182)	(335)	(130)	(736)	(150)	(586)	(2,168)
	(727)	(2,199)	9,452	(2,377)	(476)	(13,495)	11,484	1,662

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	Invoice Financing RM'000	Revolving Credit RM'000	Bill Discounting RM'000	Promissory Note RM'000	Total RM'000
2023								
Non-cash Changes								
Acquisition of property, plant and equipment (Note (a) above)	-	543	-	-	-	-	-	543
Acquisition of new leases (Note (a) above)	1,314	-	-	-	-	-	-	1,314
Interest expense recognised in profit or loss (Note 43)	49	182	335	130	736	150	586	2,168
Modification of lease	(14)	-	-	-	-	-	-	(14)
	1,349	725	335	130	736	150	586	4,011
At 30 June 2023	1,346	2,662	13,593	1,766	45,000	-	15,705	80,072

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	Invoice Financing RM'000	Revolving Credit RM'000	Bill Discounting RM'000	Promissory Note RM'000	Total RM'000
2022								
At 1 July 2021	332	4,375	-	1,108	45,000	-	-	50,815
Changes in Financing Cash Flows								
Proceeds from drawdown	-	-	5,021	10,348	195,202	26,767	16,478	253,816
Repayment of principal	(595)	(3,160)	(1,215)	(7,443)	(195,462)	(13,422)	(12,843)	(234,140)
Repayment of interest	(35)	(249)	(85)	(61)	(445)	(41)	(116)	(1,032)
	(630)	(3,409)	3,721	2,844	(705)	13,304	3,519	18,644

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	Invoice Financing RM'000	Revolving Credit RM'000	Bill Discounting RM'000	Promissory Note RM'000	Total RM'000
2022								
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	61	445	41	116	1,032
COVID-19-related rent concessions received	(28)	-	-	-	-	-	-	(28)
	1,022	3,170	85	61	445	41	116	4,940
At 30 June 2022	724	4,136	3,806	4,013	44,740	13,345	3,635	74,399

48. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Payment of short-term leases	51	54
Payment of low-value assets	*	-
Interest paid on lease liabilities	49	35
Payment of lease liabilities	678	595
	778	684

Note:
* Amount less than RM500.

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term investments (Note 19)	57,952	101,608	2,555	43,707
Fixed deposits with licensed banks (Note 20)	17,879	9,397	-	-
Cash and bank balances (Note 21)	76,751	39,851	1,136	1,300
	152,582	150,856	3,691	45,007
Less: Fixed deposits pledged to licensed banks (Note 20)	(8,997)	(9,397)	-	-
	143,585	141,459	3,691	45,007

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.

(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries:				
- advances given	-	-	58,288	7,523
- management fees received	-	-	187	293
- management fees paid	-	-	779	17
Associate:				
- advances given	20,132	10,927	-	-
- management fees received	143	172	23	52

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

49. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key Management Personnel Compensation

	The Group	
	2023 RM'000	**2022 RM'000**
Key management personnel		
Directors		
Salaries, wages, allowances and bonus	2,942	2,271
Defined contribution plan	255	231
Others	26	14
	3,223	2,516
Other key management personnel		
Fees	278	136
Salaries, wages, allowances and bonus	615	1,221
Defined contribution plan	74	114
Others	6	6
	973	1,477

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 8 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.

(viii) Others – involved as entertainment event company.

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 unallocated items. Unallocated items comprise mainly current tax assets, current tax liabilities 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.

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	Others RM'000	The Group RM'000
2023									
Revenue									
External sales	70,522	146,166	3,472	282	2,355	1,167	-	93	224,057
Inter-segment sales	(1,527)	36,031	13,069	33,982	-	-	-	-	81,555
Total revenue	68,995	182,197	16,541	34,264	2,355	1,167	-	93	305,612
Consolidation adjustments									(81,555)
Consolidated revenue									224,057

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	Others RM'000	The Group RM'000
2023									
Represented by:- <u>Revenue recognised at a point of time</u>									
- Trading	-	-	16,541	-	2,355	-	-	-	18,896
- Services	-	-	-	-	-	1,167	-	93	1,260
- Dividend income	-	-	-	29,663	-	-	-	-	29,663
<u>Revenue recognised over time</u>									
- Construction services	-	182,197	-	-	-	-	-	-	182,197
- Property development	68,995	-	-	-	-	-	-	-	68,995
- Services	-	-	-	4,601	-	-	-	-	4,601
	68,995	182,197	16,541	34,264	2,355	1,167	-	93	305,612
Consolidation adjustments									(81,555)
									224,057

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	Others RM'000	The Group RM'000
2023									
Results									
Segment profit	16,247	1,004	117	5,761	(1,513)	(409)	(443)	(751)	20,013
Depreciation	(385)	(5,731)	(5)	(24)	(41)	(180)	-	-	(6,366)
Equipment written off	-	(3)	-	(1)	-	-	-	-	(4)
Gain on disposal of equipment	14	2,954	-	-	55	-	-	-	3,023
Interest expense	(211)	(1,853)	(133)	-	-	(14)	-	-	(2,211)
Interest income	414	452	8	272	48	-	-	1	1,195
Net impairment losses on financial assets and contract assets	-	(28,487)	-	-	(12)	-	-	-	(28,499)
Unrealised gain on foreign exchange	-	-	-	1,198	-	-	-	-	1,198
Unrealised gain on investment funds	1,128	-	59	-	-	-	-	-	1,187
Unrealised loss on investment funds	-	-	-	(257)	-	-	-	-	(257)
Consolidated loss before taxation									(10,721)
Income tax expense									(5,918)
Consolidated loss after taxation									(16,639)

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	Others RM'000	The Group RM'000
2023									
Assets									
Segment assets	265,713	187,462	8,671	523,872	64,539	368	5,201	166	1,055,992
Unallocated assets: - Current tax assets									9,376
Consolidated adjustments									(492,425)
									572,943
Additions to non-current assets other than financial instruments are:									
- Property, plant and equipment	6,106	880	-	21	-	-	2,428	-	9,435
- Right-of-use assets	246	1,068	-	-	-	-	-	-	1,314
-Investment properties	169	-	-	-	-	-	-	-	169
Liabilities									
Segment liabilities	106,573	127,075	6,181	22,979	45,265	1,075	6,157	940	316,245
Unallocated liabilities:									
- Current tax liabilities									1,648
- Deferred tax liabilities									7,573
Consolidation adjustments									(135,727)
									189,739

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								
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	-	-	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	-	957	-	4,781
	54,391	121,871	13,916	6,723	15,096	957	-	212,954
Consolidation adjustments								(22,789)
								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								
Results								
Segment profit	9,642	9,918	71	4,348	5,001	(437)	(436)	28,107
Depreciation	(177)	(12,490)	(5)	(20)	(67)	(181)	(3)	(12,943)
Equipment written off	-	-	-	(6)	-	-	-	(6)
Gain on disposal of equipment	-	133	-	-	-	-	-	133
Interest expense	(14)	(965)	(64)	-	(2)	(28)	(2)	(1,075)
Interest income	42	1,385	20	43	25	-	-	1,515
Reversal of impairment loss on financial assets	-	-	-	-	-	13	-	13
Unrealised loss on foreign exchange	-	-	-	(888)	-	-	-	(888)
Unrealised gain on investment funds	109	28	15	283	-	-	-	435
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	The Group RM'000
2022								
Assets								
Segment assets	204,551	212,229	9,651	509,976	26,615	503	2,693	966,218
Unallocated assets:								
- Current tax assets								8,526
Consolidated adjustments								(413,448)
								561,296
Additions to non-current assets other than financial instruments are:								
- Property, plant and equipment	231	4,784	9	45	4	-	1,650	6,723
- Right-of-use assets	519	496	-	-	-	-	-	1,015
-Investment properties	1,256	-	-	-	-	-	-	1,256
Liabilities								
Segment liabilities	49,226	132,022	6,896	32,011	2,190	907	3,108	226,360
Unallocated liabilities:								
- Current tax liabilities								4,656
- Deferred tax liabilities								8,263
Consolidation adjustments								(80,335)
								158,944

50. OPERATING SEGMENTS (CONT'D)

50.2 GEOGRAPHICAL INFORMATION

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

	Revenue	
	2023 RM'000	2022 RM'000
Malaysia	224,057	190,165

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	
		2023 RM'000	2022 RM'000
Customer A	Construction	135,818	93,282

51. CAPITAL COMMITMENT

	The Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	1,670	1,062

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	
	2023 RM'000	2022 RM'000
Performance and tender bond granted to contract customers	24,314	17,363

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.

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	
2023	
Financial Assets	
Amount owing by associates	31,280
Cash and bank balances	127
Fixed deposits with a licensed bank	8,883
	40,290
Financial Liabilities	
Other payables and accruals	56
Net financial assets	40,234
Less: Net financial liabilities denominated in the Company's functional currency	(54)
Currency exposure	40,180

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	
2022	
Financial Asset	
Amount owing by associates	39,257
Financial Liabilities	
Bank overdraft	1
Other payables and accruals	38
	39
Net financial assets	39,218
Less: Net financial liabilities denominated in the Company's functional currency	(39)
Currency exposure	39,179

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023 RM'000	**2022 RM'000**
Effects on (Loss)/Profit After Taxation		
AUD/RM		
- strengthened by 10%	4,018	3,918
- weakened by 10%	(4,018)	(3,918)

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 (loss)/profit after taxation and other comprehensive (expense)/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.

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	
	2023 RM'000	**2022 RM'000**
Effects on (Loss)/Profit After Taxation		
Increase of 10%	6,797	11,222
Decrease of 10%	(6,797)	(11,222)

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the trade receivables at the end of the reporting period is as follows:-

	2023	2022
Major concentration of credit risk	68%	41%
Number of customers	1	1

(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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the "Maturity Analysis" of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(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; and
- 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 (2022 - 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. The Group has identified the unemployment rate and Gross Domestic Product (GDP) as the key macroeconomic factors of the forward-looking information.

For property development, purchases are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

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

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
2023				
Not past due	29,512	-	-	29,512
Past due:				
- less than 3 months	1,747	-	-	1,747
- 3 to 6 months	18,643	-	-	18,643
- over 6 months	240	-	-	240
- more than 1 year	3,840	-	-	3,840
- credit impaired	1,128	-	(1,128)	-
	25,598	-	(1,128)	24,470
Trade receivables	55,110	-	(1,128)	53,982
Contract assets	65,075	-	(28,188)	36,887
	120,185	-	(29,316)	90,869

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
2022				
Not past due	32,305	-	-	32,305
Past due:				
- less than 3 months	18,401	-	-	18,401
- 3 to 6 months	12,624	-	-	12,624
- over 6 months	45	-	-	45
- more than 1 year	7,875	(238)	-	7,637
- credit impaired	20,701	-	(20,701)	-
	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

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 15 and 16 to the financial statements respectively.

The Company

The Company believes that no impairment allowance is necessary in respect of its trade receivables because they are subsidiaries with positive financial position.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables 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.

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)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

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

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.

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 Subsidiaries (Non-trade Balances)

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

The Company considers loans and advances to related companies have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

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 subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company 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 subsidiary.

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):-

The Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	2 - 5 Years RM'000
2023				
Non-derivative Financial Liabilities				
Lease liabilities	1,346	1,439	715	724
Hire purchase payables	2,662	2,885	1,154	1,731
Term loans	13,593	15,451	1,988	13,463
Invoice financing facility	1,766	1,766	1,766	-
Revolving credit	45,000	45,000	45,000	-
Promissory notes	15,705	15,705	15,705	-
Trade payables	52,110	52,110	52,110	-
Other payables and accruals	14,955	14,955	14,955	-
Amount owing to an associate	80	80	80	-
	147,217	149,391	133,473	15,918

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	2 - 5 Years RM'000
2022				
Non-derivative Financial Liabilities				
Lease liabilities	724	1,046	913	133
Hire purchase payables	4,136	4,183	1,926	2,257
Term loans	3,806	3,967	2,651	1,316
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	-
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	-
	135,525	136,055	132,349	3,706

53. FINANCIAL INSTRUMENTS (CONT'D)

53.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2023			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	113	113	113
Amount owing to an associate	25	25	25
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	80,653	80,653
	138	80,791	80,791
2022			
<u>Non-derivative Financial Liabilities</u>			
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

The contractual undiscounted cash flows of financial guarantee contracts 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. FINANCIAL INSTRUMENTS (CONT'D)

53.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

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

	2023	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Short-term investments	57,952	2,555
Mandatorily at Fair Value Through Other Comprehensive Income		
Investment securities	10,020	10,020
Amortised Cost		
Trade receivables	53,982	-
Other receivables	3,719	-
Amount owing by subsidiaries	-	67,397
Amount owing by associates	31,294	-
Fixed deposits with licensed banks	17,879	-
Cash and bank balances	76,751	1,136
	183,625	68,533
Financial Liability		
Amortised Cost		
Hire purchase payables	2,662	-
Term loans	13,593	-
Invoice financing facility	1,766	-
Revolving credit	45,000	-
Promissory notes	15,705	-
Trade payables	52,110	-
Other payables and accruals	14,955	113
Amount owing to an associate	80	25
	145,871	138

53. FINANCIAL INSTRUMENTS (CONT'D)

53.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	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	1,049	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
	160,584	39,844
Financial Liability		
Amortised Cost		
Hire purchase payables	4,136	-
Term loans	3,806	-
Invoice financing facility	4,013	-
Revolving credit	44,740	-
Bill discounting	13,345	-
Promissory notes	3,635	-
Trade payables	40,632	-
Other payables and accruals	20,466	100
Amount owing to an associate	28	-
	134,801	100

53. FINANCIAL INSTRUMENTS (CONT'D)

53.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	2023 The Group RM'000	2023 The Company RM'000
Financial Assets		
Fair Value Through Profit or Loss		
Net gains recognised in profit or loss by:		
- mandatorily required by MFRS 9	2,841	865
Equity Investments at Fair Value Through Other Comprehensive Income		
Net losses recognised in other comprehensive income	(590)	(590)
Amortised Cost		
Net gains recognised in profit or loss	1,381	660
Financial Liability		
Amortised Cost		
Net losses recognised in profit or loss	(2,162)	(1)

53. FINANCIAL INSTRUMENTS (CONT'D)

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

	2022	
	The Group RM'000	The Company RM'000
Financial Assets		
Fair Value Through Profit or Loss		
Net gains recognised in profit or loss by:		
- mandatorily required by MFRS 9	1,130	679
Equity Investments at Fair Value Through Other Comprehensive Income		
Net losses recognised in other comprehensive income	(4,090)	(4,090)
Amortised Cost		
Net gains recognised in profit or loss	392	384
Financial Liability		
Amortised Cost		
Net losses recognised in profit or loss	(1,040)	(9)

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
2023								
Financial Assets								
Investment securities	10,020	-	-	-	-	-	10,020	10,020
Short-term investments	57,952	-	-	-	-	-	57,952	57,952
Financial Liabilities								
Term loans	-	-	-	-	13,593	-	13,593	13,593
Hire purchase	-	-	-	-	2,662	-	2,662	2,662

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								
<u>Financial Assets</u>								
Investment securities	10,610	-	-	-	-	-	10,610	10,610
Short-term investments	101,608	-	-	-	-	-	101,608	101,608
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	3,806	-	3,806	3,806
Hire purchase	-	-	-	-	4,042	-	4,042	4,136

53. FINANCIAL INSTRUMENTS (CONT'D)

53.5 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	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
2023								
Financial Assets								
Investment securities	10,020	-	-	-	-	-	10,020	10,020
Short-term investments	2,555	-	-	-	-	-	2,555	2,555
2022								
Financial Assets								
Investment securities	10,610	-	-	-	-	-	10,610	10,610
Short-term investments	43,707	-	-	-	-	-	43,707	43,707

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 money market funds 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:-

	2023 %	2022 %
Hire purchase payables	4.44 - 6.98	4.62 - 6.71

54. PRIOR YEAR ADJUSTMENT

The prior year adjustment was made in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors and related to the reclassification of investment in joint operation to investment in associates.

	As Previously Reported RM'000	Effect of Prior Year Adjustment RM'000	As Restated RM'000
The Group			
Statement of Financial Position (Extract) As at 1.7.2021			
NON-CURRENT ASSETS			
Investment in associates	14,630	8,930	23,560
CURRENT ASSETS			
Other receivables, deposits and prepayments	21,609	(8,930)	12,679
Statement of Financial Position (Extract) As at 30.6.2022			
NON-CURRENT ASSETS			
Investment in associates	20,318	8,930	29,248
CURRENT ASSETS			
Other receivables, deposits and prepayments	24,431	(8,930)	15,501

LIST OF PROPERTIES

30 June 2023

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Fajarbaru Builder Sdn Bhd	Lot 7496, Mukim Labu, Seremban, Negeri Sembilan.	Freehold	N/A	Vacant Land -*(acquired in May 1995)*	2,227	360
	Lot 7695, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -*(acquired in Feb 2010)*	984	297
	Lot 7716, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -*(acquired in Feb 2010)*	446	134
	Lot 7406, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -(acquired in Feb 2010)	353	84
	Lot 7426, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -*(acquired in Feb 2010)*	372	88
	Lot 7357, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -(acquired in Feb 2010)	280	66
	Lot 7715, Pekan Lukut, Port Dickson, Negeri Sembilan.	Freehold	N/A	Vacant Land -*(acquired in Dec 2010)*	446	134
	61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	27	Two units of 4-storey Shop Lots -*(acquired in Oct 2005)*	374	2,067
	59, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor.	Freehold	27	One unit of 4-storey Shop Lot -*(acquired in Oct 2013)*	187	1,288

LIST OF PROPERTIES
30 June 2023 (Cont'd)

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Potential Region Sdn Bhd	PD Orchard Homestead Resort, Off Jalan Si-Rusa-Sunggala, Port Dickson, Negeri Sembilan Darul Khusus	Freehold	N/A	76 orchard homestead lots* -*(acquired in June 1994)*	348,904	29,891
		Freehold	N/A	109 Bungalow lots# -*(acquired in June 1994)*	127,367	10,910
		Freehold	N/A	1 lot commercial land Lot 8038 -*(acquired in June 1994)*	17,500	1,499
		99 years leasehold expiring 30.05.2096	N/A	1 lot 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
		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 April 2003)*	6,857	406

Owned by:	Location	Tenure Existing Use	Age of Building (Years)	Description	Land Area (Square Meters)	Net Book Value RM'000
Potential Region Sdn Bhd	*PD Orchard Homestead Resort, Off Jalan Si-Rusa-Sunggala, Port Dickson, Negeri Sembilan Darul Khusus	Freehold	N/A	1 orchard homestead Lot 8020 -*(acquired in July 2003)*	4,101	243
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 Sep 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 Sep 2010)	8,721	9,053
Fajarbaru Real Development Sdn Bhd	HSD11182 -HSD11184 (PT7998-PT8000) & HSD10947 (PT8018), Kuala Nal, Kuala Krai, Kelantan Darul Naim	Freehold	N/A	Vacant Land for development -(acquired in July 2022)	50,900	3,500

ORCHARD HOMESTEAD LOTS

* HSD 34235-34239 (PT6117-6121), Geran 103178-103188 (Lot 7929-7939), Geran 103190-103195 (Lot 7941 7946), Geran 103197-103199 (Lot 7948-7950), Geran 103201 (Lot 7952), Geran 103204-103213 (Lot 7955 7964), Geran 103215 (Lot 7967), Geran 103220 (Lot 7972), Geran 103229-103230 (Lot 7981-7982), Geran 103238-103241 (Lot 7990-7993), Geran 103243 (Lot 7995), Geran 103245 (Lot 7997), Geran 103252 (Lot 8004), Geran 103257 (Lot 8009), Geran 103260 (Lot 8012), Geran 103262 (Lot 8014), Geran 103265-103266 (Lot 8017-8018), Geran 103273 (Lot 8025), Geran 103277-103278 (Lot 8029-8030), Geran 103280-103285 (Lot 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 103310-103312 (Lot 8062-8064), Geran 169498 (Lot 9175).

BUNGALOW LOTS

HM34126 – 34234 (Lot 6008 - 6116)

ANALYSIS OF SHAREHOLDINGS

As At 29 September 2023

LIST OF DIRECTORS' SHAREHOLDINGS

(as per Record of Register of Directors' Shareholdings)

Directors	No. of Shares				
	Direct	%	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
Tan Sri Datuk Seri Lau Kuan Kam	5,686,200	0.77	32,686,200	(d)	4.41
Ir. Kong Kam Loong	211,600	0.03	-		-
Dato' Lim Siew Mei	8,800,100	1.19	9,848,700	(e)	1.33
Dato' Norasni Binti Ayob	-	-	-		-
Datuk Yoo Wei How	-	-	-		-
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	%	Indirect		%
Tan Sri Datuk Ta Kin Yan	90,491,600	12.20	-		-
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	58,422,600	7.88	15,678,800	(b)	2.11
Tan Sri Datuk Seri Lau Kuan Kam	5,686,200	0.77	32,686,200	(d)	4.41

Notes:-

(a) *Deemed interest by virtue of Section 197 of the Companies Act, 2016 through his wife, Puan Sri Datin 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, Puan Sri 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 29 SEPTEMBER 2023

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share held
Less than 100	988	19.16	43,155	0.01
100 – 1,000	580	11.25	190,861	0.03
1,001 – 10,000	1,532	29.71	7,963,062	1.07
10,001 – 100,000	1,603	31.09	55,042,897	7.42
100,001 to less than 5% of issued shares	451	8.75	550,132,709	74.18
5% and above of issued shares	2	0.04	128,240,700	17.29
TOTAL	**5,156**	**100.00**	**741,613,384**	**100.00**

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

As At 29 September 2023

No.	Names	Shareholdings	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	69,818,100	9.41
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 GRAND CONTINENTAL WORLDWIDE LIMITED (417921)	22,678,694	3.06
6.	LAI HONG MUN	21,790,900	2.94
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	20,673,500	2.79
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-MLB/BCG)	19,661,000	2.65
9.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	18,789,226	2.53
10.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	15,678,800	2.11
11.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARY TAN @ TAN HUI NGOH (STF)	14,000,000	1.89
12.	MAYLEX VENTURES SDN BHD	13,557,000	1.83
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
15.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	8,761,900	1.18

No.	Names	Shareholdings	%
16.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW CHEE (PB)	8,608,300	1.16
17.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	8,248,400	1.11
18.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW MEI (PB)	7,861,900	1.06
19.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON (STF)	7,830,000	1.06
20.	LAU FOY HANG @ LAU FAY HANG	7,303,700	0.98
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	6,523,300	0.88
22.	LAU KUAN KAM	5,686,200	0.77
23.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	5,500,600	0.74
24.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHOON LAN (E-SJA/SAM)	5,190,700	0.70
25.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	5,011,043	0.68
26.	CHUA TIONG MOON	4,880,000	0.66
27.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR LONG RETURN INVESTMENTS LIMITED (418847)	4,540,700	0.61
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOP FUTURE HOLDINGS SDN BHD (E-SJA)	4,537,100	0.61
29.	TEO HWEE KHENG	4,331,600	0.58
30.	YEW CHEE CHUNG	4,214,200	0.57

STATISTIC ON WARRANT HOLDINGS

As At 29 September 2023

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	%	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
Tan Sri Datuk Seri Lau Kuan Kam	2,780,747	0.75	21,740,600	(d)	5.86
Ir. Kong Kam Loong	105,800	0.03	-		-
Dato' Norasni Binti Ayob	-	-	-		-
Dato' Lim Siew Mei	4,165,220	1.12	4,125,100	(e)	1.11
Datuk Yoo Wei How	-	-	-		-
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 Datin 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, Puan Sri 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.

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants Held	% of Warrants Held
Less than 100	43	2.80	2,154	0.00
100 – 1,000	94	6.13	39,449	0.01
1,001 – 10,000	457	29.81	2,651,259	0.71
10,001 – 100,000	616	40.19	22,740,637	6.13
100,001 to less than 5% of issued warrants	321	20.94	292,773,893	78.96
5% and above of issued warrants	2	0.13	52,599,300	14.19
TOTAL	**1,533**	**100.00**	**370,806,692**	**100.00**

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

As At 29 September 2023

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	22,437,300	6.05
3.	CHANG MEI YUN	17,256,200	4.65
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI YENG SUN	16,547,500	4.46
5.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH CHEE LEONG (E-MLB/BCG)	14,810,500	3.99
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MODERN DISCOVERY SDN BHD (PB)	11,554,378	3.12
7.	LAI HONG MUN	10,895,450	2.94
8.	TAN BER HUAT	8,520,000	2.30
9.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR UNIQUE BAY SDN. BHD. (PB)	8,097,200	2.18
10.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOP FUTURE HOLDINGS SDN BHD (E-SJA)	7,212,400	1.95
11.	TOP FUTURE HOLDINGS SDN BHD	6,386,600	1.72
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	5,000,000	1.35
13.	MAYLEX VENTURES SDN BHD	5,000,000	1.35
14.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	4,602,452	1.24
15.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON (STF)	3,915,000	1.05

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS
As At 29 September 2023 (Cont'd)

No.	Names	Warrant Holdings	%
16.	LAU FOY HANG @ LAU FAY HANG	3,910,700	1.05
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON PING	3,816,700	1.03
18.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW MEI (PB)	3,680,620	0.99
19.	WONG FOH SANG	3,584,400	0.97
20.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM SIEW CHEE (PB)	3,484,700	0.94
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG WAI YEE (E-TCS)	3,261,657	0.88
22.	LAU KUAN KAM	2,980,747	0.80
23.	LEE MEE KUEN	2,650,000	0.71
24.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHOON LAN (E-SJA/SAM)	2,548,400	0.69
25.	YAP PAK KIN	2,500,000	0.67
26.	KOH BOON POH	2,480,000	0.67
27.	HOO WAN FATT	2,475,500	0.67
28.	YEW CHEE CHUNG	2,175,800	0.59
29	HOW DAT SOON	2,129,300	0.57
30.	TEO HWEE KHENG	2,037,200	0.55

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No. of Shares held	
CDS No.	

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

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-NINTH ANNUAL GENERAL MEETING** of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 14 December 2023 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 Tan Sri Dato' Sri Chan Kong Choy as Director of the Company		
Resolution 2	To re-elect Tan Sri Datuk Seri Lau Kuan Kam as Director of the Company		
Resolution 3	To re-elect Dato' Norasni Binti Ayob as Director of the Company		
Resolution 4	To re-elect Datuk Yoo Wei How as Director of the Company		
Resolution 5	To approve Directors' fees amounting to RM399,000 for the period from 29th AGM until the next AGM, payable to Non-Executive Directors		
Resolution 6	To approve Directors' benefits up to an amount of RM66,000 for the period from 29th AGM until the next AGM, payable to Non-Executive Directors		
Resolution 7	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration		
Resolution 8	To approve the Authority to Issue Shares		
Resolution 9	To approve the Proposed Renewal of Share Buy-back Authority		

Dated this ____________ day of ________________________ , 2023.

____
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/her 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/her at the same meeting. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her 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 6 December 2023 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.*

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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.

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

www.fajarbaru.com.my

FAJARBARU BUILDER GROUP BHD. 199301026907 (281645-U)
No. 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

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