

Top Builders Capital Berhad

Company No. 201301043050 (1072872-D)
(Incorporated in Malaysia)

**Interim financial statements for first
quarter ended 30 September 2021**



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Period Ended 30 September 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Current Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year Current Year 30.09.2021 RM'000	Preceding Year 30.09.2020 RM'000
Continuing Operations:				
Revenue	7,151	-	7,151	-
Cost of sales	(7,702)	-	(7,702)	-
Gross loss	(551)	-	(551)	-
Other income	95	-	95	-
Administrative expenses	(3,464)	-	(3,464)	-
Other operating expenses	(309)	-	(309)	-
Finance income	16	-	16	-
Finance costs	(702)	-	(702)	-
Loss before taxation	(4,915)	-	(4,915)	-
Taxation	-	-	-	-
Loss for the year	(4,915)	-	(4,915)	-
Loss attributable to :				
Owners of the Company	(4,767)	-	(4,767)	-
Non-controlling interests	(148)	-	(148)	-
	(4,915)	-	(4,915)	-
Loss per share (sen) attributable to owners of the parent:				
- Basic	(0.81)	-	(0.81)	-
- Diluted	N/A	-	N/A	-

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with the first quarter of the previous financial year ended 31 December 2019.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2021

	(Unaudited) As at 30.09.2021 RM'000	(Audited) As at 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,873	29,457
Investment properties	6,896	6,930
Other investments	4	4
Right-of-use assets	14,323	15,127
Total non-current assets	<u>50,096</u>	<u>51,518</u>
Current assets		
Trade and other receivables	33,025	77,987
Contract assets	1,565	2,401
Inventories	81	81
Cash and bank balances	11,197	13,482
Total current assets	<u>45,868</u>	<u>93,951</u>
TOTAL ASSETS	<u>95,964</u>	<u>145,469</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
As at 30 September 2021

	(Unaudited) As at 30.09.2021 RM'000	(Audited) As at 30.06.2021 RM'000
EQUITY AND LIABILITIES		
Share capital	195,514	193,687
Reserve	(410,375)	(405,608)
Deficit in shareholders' funds	<u>(214,861)</u>	<u>(211,921)</u>
Non-controlling interests	<u>(9,902)</u>	<u>(9,754)</u>
Capital Deficiency	<u>(224,763)</u>	<u>(221,675)</u>
Non-current liabilities		
Loans and borrowings	416	416
Lease liabilities	1,847	5,307
Deferred tax liabilities	4,734	4,734
Total non-current liabilities	<u>6,997</u>	<u>10,457</u>
Current liabilities		
Trade and other payables	282,378	312,687
Contract liabilities	3,022	19,646
Lease liabilities	10,352	6,514
Loans and borrowings	13,090	12,895
Current tax liabilities	4,888	4,945
Total current liabilities	<u>313,730</u>	<u>356,687</u>
Total liabilities	<u>320,727</u>	<u>367,144</u>
TOTAL EQUITY AND LIABILITIES	<u>95,964</u>	<u>145,469</u>
Net assets per share (RM)	(0.38)	(0.38)

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the Financial Period Ended 30 September 2021

	Attributable to the owners of the Company						Non-controlling interests	Total equity/ (Capital deficiency)
	Share capital	Non-distributable				Total		
		Merger Deficit	Revaluation reserve	Other reserve	Accumulated losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2020	191,687	(68,500)	-	2,500	(90,032)	35,655	(8,004)	27,651
Shares issued	2,000	-	-	-	-	2,000	-	2,000
Profit/(Loss) and total comprehensive income/(expense) for the period	-	-	12,715	-	(262,291)	(249,576)	(1,750)	(251,326)
At 30 June 2021	193,687	(68,500)	12,715	2,500	(352,323)	(211,921)	(9,754)	(221,675)
At 1 July 2021	193,687	(68,500)	12,715	2,500	(352,323)	(211,921)	(9,754)	(221,675)
Shares issued	1,827	-	-	-	-	1,827	-	1,827
Loss and total comprehensive expense for the period	-	-	-	-	(4,767)	(4,767)	(148)	(4,915)
At 30 September 2021	195,514	(68,500)	12,715	2,500	(357,090)	(214,861)	(9,902)	(224,763)

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The Unaudited Condensed Consolidated Statement of Changes in Equity for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with the first quarter of the previous financial year ended 31 December 2019.

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 For the Financial Period Ended 30 September 2021

	Current Financial Year 30.09.2021 RM'000	Preceding Year 30.09.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,915)	-
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	584	-
Depreciation of investment property	34	-
Depreciation of right of use	804	-
Finance costs	702	-
Finance income	(16)	-
Operating loss before changes in working capital	<u>(2,807)</u>	<u>-</u>
Changes in working capital:		
Trade and other receivables	44,962	-
Trade and other payables	(29,707)	-
Contract assets	(15,788)	-
Cash used in operations	<u>(3,340)</u>	<u>-</u>
Tax paid	(57)	-
Net cash used in operating activities	<u>(3,397)</u>	<u>-</u>

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The Unaudited Condensed Consolidated Statement of Cash Flow for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with the first quarter of the previous financial year ended 31 December 2019.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
 For the Financial Period Ended 30 September 2021

	Current Financial Year 30.09.2021 RM'000	Preceding Year 30.09.2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	16	-
Net cash from investing activity	<u>16</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan and other borrowings	-	-
Proceeds from private placement	1,827	-
Repayment of lease liabilities	(8)	-
Increase in pledged fixed deposits	(121)	-
Interest paid	(702)	-
Net cash from financing activities	<u>996</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,385)	-
CASH AND CASH EQUIVALENTS AT 1 JULY 2021	<u>(703)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER *	<u><u>(3,088)</u></u>	<u><u>-</u></u>
*Cash and cash equivalents at the end of the financial year comprised the following:		
Fixed deposits with licensed banks	4,423	-
Less: Pledged deposits	<u>(4,423)</u>	<u>-</u>
	-	-
Cash and bank balances	6,774	-
Bank overdrafts	<u>(9,862)</u>	<u>-</u>
	<u><u>(3,088)</u></u>	<u><u>-</u></u>

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The Unaudited Condensed Consolidated Statement of Cash Flow for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with the first quarter of the previous financial year ended 31 December 2019.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED
30 SEPTEMBER 2021**

A1. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

These are the first interim financial statements on the consolidated results for the first quarter ended 30 September 2021 announced by the Company in compliance with the MMLR.

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

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021.

The preparation of interim financial statements in conformity with MFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates.

The interim financial statements have been prepared on the historical cost basis and on the assumption that the Group and the Company are going concerns.

The Group's current liabilities exceeded its current assets by RM267.86million and its capital deficiency was RM224.76million. There are material uncertainties that may cast significant doubt on the ability of the Group to meet their obligations as and when they fall due and to continue as going concerns.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

A2. Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2021 except for the adoption of the following Amendments to MFRSs:-

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group.

A3. Auditor's Report

The auditor's report of the Group for the year ended 30 June 2021 carries a material uncertainty related to going concern which indicates the Group incurred a net loss of RM264 millions for the financial year ended 30 June 2021 and, as of that date, the current liabilities of the Group exceeded its current assets by RM263 millions and its capital deficiency was RM222 millions.

A4. Seasonality or Cyclicity of Interim Operations

The business operations of the Group are not significantly affected by seasonal or cyclical factors.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 30 September 2021.

A6. Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements for the current period under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter ended 30 September 2021.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter ended 30 September 2021.

A9. Segmental Reporting

The Group is predominantly involved in civil and building construction, which is the only reportable segment. Other non-reportable segments comprise manufacturing and sales of prefabricated building system. None of these segments met the quantitative thresholds for reporting segments in 2021 and 2020. All the Group's operations are carried out in Malaysia.

A10. Property, plant and equipment

The Management determined that the freehold and leasehold land and building constitutes one class of asset under MFRS 13 Fair Value Measurement, based on the nature, characteristics and risks of the freehold and leasehold land and building.

Fair value of the freehold and leasehold land and building were determined using the market comparison method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of each specific properties. As at the date of valuation, the freehold and leasehold land and building's fair value was assessed and confirmed by management based on valuations performed by an independent professional valuer specialising in valuing property of similar nature.

A11. Significant Post Balance Sheet Event

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A12. Changes in Composition of the Group

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



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED
30 SEPTEMBER 2021**

A13. Contingent Liabilities

As at the date of this announcement, the Group had contingent liabilities as follows:

	Current quarter as at 30.09.2021 RM'000	Audited as at 30.06.2021 RM'000
Guarantees		
Guarantees given to:		
-Subsidiaries' creditors	17,570	17,732
-Banks for facilities granted to subsidiaries	13,042	12,872
	<u>30,612</u>	<u>30,604</u>

A14. Significant Related Party Transactions and/or Balances

There were no significant related party transactions for the current quarter and financial period ended 30 September 2021 and preceding year ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Performance of the Group

	Current Year	Current
	Current Quarter	Year Cumulative
	2021	2021
	RM'000	RM'000
Revenue	7,151	7,151
Operating Loss	(4,229)	(4,229)
Loss Before Tax	(4,915)	(4,915)
Loss After Tax	(4,915)	(4,915)
Loss Attributable to Ordinary Equity Holders of the Parent	(4,767)	(4,767)

B2. Comparison with Preceding Quarter's Results

	Current Quarter	Immediate	%
	Ended 30.09.2021	Preceding Quarter	+ / (-)
	(RM'000)	Ended 30.06.2021	
		(RM'000)	
Revenue	7,151	(25,676)	->100%
Operating Loss	(4,229)	(209,263)	>100%
Loss Before Tax	(4,915)	(209,775)	>100%
Loss After Tax	(4,915)	(209,856)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(4,767)	(209,758)	>100%

During the current quarter under review, the Group recorded a revenue of RM7.151 million i.e., an increase of RM32.827million as compared to negative RM25.676 million reported in preceding quarter ended 30 June 2021.

The Group reported a loss before tax RM4.915million for the current quarter ended 30 September 2021 i.e., a decrease of RM204.86million as compared to RM209.775million losses recorded in the preceding year corresponding quarter ended 30 June 2021.

The decrease in operating loss is mainly due to the impairment and provision for receivables and contract assets had been accounted in immediate preceding quarter.

B3. Prospects

With the re-opening of the economy after the Covid-19 pandemic, the Group will capitalize on its core strengths in design and build of infrastructure, bore-piling and bridge to secure more projects to replenish our order book. Further to this, we will also be seeking civil and building construction works to further enhance the order book.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED
30 SEPTEMBER 2021**

B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Loss Before Tax

Loss before tax for the current quarter and current financial period is stated after charging/(crediting):-

	Current quarter ended 30.09.2021 RM'000	Current financial period ended 30.09.2021 RM'000
Depreciation of property, plant and equipment	584	584
Depreciation of investment property	34	34
Depreciation of right of use	804	804
Finance income	(16)	(16)
Finance costs	702	702
	<hr/>	<hr/>

B6. Taxation

	Current quarter ended 30.09.2021 RM'000	Current financial period ended 30.09.2021 RM'000
Current tax expense – under provision in prior year	<hr/> -	<hr/> -

B7. Status of Corporate Proposal

Proposed reduction of the issued share capital of TBCB pursuant to Section 116 of the Companies Act 2016, (“Proposed Share Capital Reduction”)

The Group announced that an office copy of the sealed order of the High Court confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 12 October 2021. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 12 October 2021.

Proposed private placement, (“Proposed Private Placement”)

On 13 October 2021, the third tranche of Private Placements were completed following the listing of and quotation for 37,070,000 new ordinary shares at 0.0558 per share on Main Market of Bursa Malaysia and these private placements had raised RM2,068,506 for working capital purposes.

Proposed scheme of arrangement and restraining order (“Proposed Scheme of Arrangement”) and (“Restraining Order”)

On 31 December 2020, The Board announced that Top Builders, Ikhmas Jaya Sdn Bhd (a wholly owned subsidiary of Top Builders) and Ikhmas Equipment Sdn Bhd (an indirect wholly-owned subsidiary of Top Builders) (collectively "Applicants") have obtained from the High Court of Malaya at Kuala Lumpur the following Orders pursuant to Sections 366 and 368 of the Companies Act 2016 ("Act") for, among others:



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B7. Status of Corporate Proposal - continued

a. Proposed Scheme of Arrangement

The Board have filed for sanction of the scheme of arrangement, as approved by the requisite majority of scheme creditors present and voting at the court convened creditors meetings held on 26 August 2021 (“Sanction Application”). The hearing for the Sanction Application is on 25 November 2021. The court judgement has been extended to 1 December 2021.

b. Restraining Order

On 22 September 2021, High Court has extended the Restraining Order for further 3 months from 30 September 2021.

B7. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 30 September 2021.

B8. Sale of Unquoted Investments and/or Properties

There were no other sale of unquoted investment during the current quarter and financial period ended 30 September 2021.

B9. Group Borrowings

The Group’s borrowings as at 30 September 2021 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
As at 30 September 2021			
Secured term loans	3,228	416	3,644
Secured bank overdrafts	9,862	-	9,862
	<u>13,090</u>	<u>416</u>	<u>13,506</u>
As at 30 June 2021			
Secured term loans	3,012	416	3,428
Secured bank overdrafts	9,883	-	9,883
	<u>12,895</u>	<u>416</u>	<u>13,311</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks as at 30 September 2021, being a date not earlier than 7 days from the date of this announcement.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B11. Material Litigation

- (a) **Signature Cabinet Sdn. Bhd. vs D.J. Design & Suppliers Sdn. Bhd. & Ikhmas Jaya Sdn. Bhd. (“IJSB”) - Kuala Lumpur High Court Writ (No. WA-22C-86-11/2016)**

Further to the disclosures made in audited financial statement for the year ended 30 June 2021, there is no further update in the current quarter ended 30 September 2021.

- (b) **Star Effort Sdn. Bhd. vs Ikhmas Jaya Group Berhad (“IJGB”) Shah Alam - High Court Writ of summons (No: BA-22NCVC-133-05/2020)**

The case management is scheduled to be held on 3 December 2021.

- (c) **Ikhmas Jaya Sdn. Bhd. (“IJSB”) vs MRCB Builders Sdn. Bhd. (“MRCB”) and Ambank (M) Berhad. - High Court Suit (No. WA-22C-36-05/2020)**

The next hearing of the case is scheduled to be held on 14 December 2021.

- (d) **Choo Seng Hardware Co (Ipoh) Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”), Ang Cheng Siong, Khoo Ping Sen and Siew Mun Lout- Shah Alam High Court (No: BA-22NCvC-196-06/2020)**

The case management is scheduled to be held on 12 January 2022 to update the Court on the status of the Restraining Order.

- (e) **Yee Loong Engineering Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”)- Shah Alam High Court Winding Up Petition (No: BA-28NCC-282-06/2020)**

The next hearing of the case is scheduled to be held on 5 January 2022.

- (f) **Lain-U Trading Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”)- Shah Alam High Court Winding Up Petition (No: BA-28NCC-326-07/2020)**

The next hearing of the case is scheduled to be held on 7 February 2022.

- (g) **Lafarge Concrete (Malaysia) Sdn Bhd. vs Ikhmas Jaya Group Berhad (“IJGB”)- Shah Alam High Court Winding Up Petition (No: BA-28NCC-376-08/2020)**

The next hearing of the case is scheduled to be held on 24 January 2022.

- (h) **Lembaga Kumpulan Wang Simpanan Pekerja vs Ikhmas Jaya Sdn. Bhd. (“IJSB”), Khoo Ping Sen, Siew Mun Lout, Ang Cheng Siong and Ang Wei Zhen - Shah Alam High Court (WA-22NCvC-563-09/2020)**

The next case management was scheduled to be held on 17 March 2022.

- (i) **Megamix Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”)- Shah Alam High Court (No: BA-22NCC-19-01/2020)**

As at the date of this announcement, there is no further update in the current quarter ended 30 June 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B12. Material Litigation - continued

- (j) Ilham Metro Construction Sdn. Bhd. vs Ikhmas Jaya Group Berhad (“IJGB”), Ikhmas Jaya Sdn. Bhd. (“IJSB”), Shah Alam - High Court Civil suit (No. BA-22NCC-156-10/2020)**

The case management is scheduled to be held on 11 January 2022.

- (k) Seng Long Construction & Engineering Sdn. Bhd. vs Ikhmas Jaya Sdn Bhd (“IJSB”) - Kuala Lumpur High Court of Malaya (No: WA-22C-109-11/2020)**

The next case management was scheduled to be held on 7 January 2022.

- (l) Dengkil Machinery & Hardware Sdn Bhd vs Ikhmas Jaya Sdn. Bhd. (“IJSB”) - Shah Alam High Court (BA-28NCC-426-12/2020)**

The next hearing of the case is scheduled to be held on 7 February 2022.

- (m) Dahtec Marketing Sdn Bhd (“Dahtec”) vs Ikhmas Jaya Sdn. Bhd. (“IJSB”) - Shah Alam High Court (BA-22NCC-169-11/2019)**

As at the date of this announcement, there is no further update in the current quarter ended 30 September 2021.

- (n) Halfen Moment Sdn. Bhd. (“HMSB”) vs Ikhmas Jaya Sdn. Bhd. (“IJSB”) - Shah Alam High Court (BA-A52NCC-88-03/2021)**

The hearing for the setting aside judgement is scheduled to be held on 31 December 2021.

- (o) Kualiti Alam Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”)**

IJSB had been served with a Writ of Summons (“Writ”) and a Statement of Claim (“SoC”) both dated 28 October 2021 by the solicitors of the Plaintiff on 2 November 2021.

IJSB had been demanding for the settlement of outstanding of RM123,436.89, interest of 1.5% per month calculated from the 18 October 2019 until the date of the full settlement and interest of 5% per annum calculated from the Judgement date until the date of the full settlement.

The liability has been accrued for in the financial statements.

- (p) Marinah Binti Abdullah vs Top Builders Capital Berhad (“TBC”)**

TBC had been served with a Writ of Summons (“Writ”) and a Statement of Claim (“SoC”) dated on 1 October 2021 and 22 September 2021 respectively by the solicitors of the Plaintiff on 25 November 2021.

TBC had been demanding to settle the outstanding amount of RM178,916.24 owing to the Plaintiff for the cleaning services provided by the Plaintiff to the Company and the rental of RM6,000.00 payable by the Company. Interest rate pursuant to Seksyen 11 of Akta Undang-Undang Sivil 1956 from 1 October 2021 until the date of judgement and interest rate pursuant to Aturan 42 Kaedah-Kaedah Mahkamah 2012 from the date of judgement until the date of full settlement.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B13. Steps taken in respect of the winding up petition

In relation to the above winding up petitions between the Group and the Petitioners are currently negotiating with respective petitioners for amicable out of court settlement.

The Group will appoint solicitors to file in an injunction to respective suits, if necessary.

On 22 September 2021, High Court has extended the Restraining Order for further 3 months from 30 September 2021.

B14. Dividend

No dividend was declared for the current quarter and financial period ended 30 September 2021.

B15. Loss per Share

The earnings per share for the current quarter and current financial period ended 30 September 2021 is computed as follows:-

	Current quarter ended	Current financial period ended
	30.09.2021	30.09.2021
Loss for the quarter/period, attributable to owners of the parent (RM'000)	(4,767)	(4,767)
Weighted average number of ordinary shares in issue ('000)	588,496	588,496
Basic Loss Per Share (RM)	(0.0081)	(0.0081)

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 September 2021.

B16. Material uncertainty related to going concern disclosed in the external auditors' report

On 16 April 2020, Bursa Malaysia has announced that PN17 Relief Measures will be available to Affected Listed Issuer that triggers any of the following criteria under PN17 of the Main Market Listing Requirements ("Suspended Criteria") from 17 April 2020 to 30 June 2021 ("Relief Period"):

- i. its shareholders' equity on a consolidated basis is 25% or less of its share capital (excluding treasury shares) and such shareholders' equity is less than RM40 million;
- ii. auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in its latest audited financial statements and its shareholders' equity on a consolidated basis is 50% or less of its share capital (excluding treasury shares); and
- iii. default in payment by the listed issuer, its major subsidiary or major associated company, as the case may be, as announced pursuant to paragraph 9.19A of the Main Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B16. Material uncertainty related to going concern disclosed in the external auditors' report - continued

On 30 June 2021, the Group remains in the Suspended Criteria during the Relief period. The PN17 criteria was triggered as a result of:

- a. the shareholders' equity of the Group on a consolidated basis was less than 25% of its issued and paid-up capital (excluding treasury shares) and was less than RM40,000,000; and
- b. the auditors have on its report dated 30 June 2020 highlighted a material uncertainty related to going concern on the Group's and the Company's ability to continue as going concern in the financial statements and the shareholders' equity of the Group on a consolidated basis is 50% or less of the issued and paid-up capital (excluding treasury shares).

Under the PN17 Relief Measures:

- a. The Group will not be classified as a PN17 listed issuer and will not be required to comply with the obligations pursuant to paragraph 8.04 and PN17 of the Main Market Listing Requirements for a period of 12 months from the date of triggering the criteria;
- b. Upon the expiry of the 12 months from the Relief Announcement, the Group will re-assess its condition and announce whether it continues to trigger any of the criteria in PN17 of the Main Market Listing Requirements ("said Announcement"); and
- c. If the Group continues to trigger any of the criteria in PN17 of the Main Market Listing Requirements, it will then be classified as a PN17 listed issuer and must comply with all the obligations under paragraph 8.04 and PN17 of the Main Market Listing Requirements, including the obligation to submit a regularisation plan to the relevant authorities within 12 months from the said Announcement.

The Group has prepared its interim financial statements on a going concern basis, notwithstanding that the Group's current liabilities exceeded its current assets by RM267.86million and its capital deficiency was RM224.76million. There are material uncertainties that may cast significant doubt on the ability of the Group to meet their obligations as and when they fall due and to continue as going concerns.

On 16 June 2021, Bursa has announced that an 18-month relief period for a listed issuer that had triggered the suspended PN17 between 1 July 2021 and 31 December 2021.

In order to address the Group's material uncertainty relating to going concern highlighted in the auditor's report for financial period ended 2021, the management has taken actions as follow:

- a. On 13 October 2021, the third tranche of Private Placements were completed following the listing of and quotation for 37,070,000 new ordinary shares at 0.0558 per share on Main Market of Bursa Malaysia and these private placements had raised RM2,068,506 for working capital purposes.
- b. The Group announced that an office copy of the sealed order of the High Court confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 12 October 2021. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 12 October 2021.



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2021

B16. Material uncertainty related to going concern disclosed in the external auditors' report - continued

c. Proposed scheme of arrangement and restraining order on 31 December 2020.

- **Proposed Scheme of Arrangement**

The Board have filed for sanction of the scheme of arrangement, as approved by the requisite majority of scheme creditors present and voting at the court convened creditors meetings held on 26 August 2021 ("Sanction Application"). The hearing for the Sanction Application is on 25 November 2021. The court judgement has been extended to 1 December 2021.

- **Restraining Order**

On 22 September 2021, High Court has extended the Restraining Order for further 3 months from 30 September 2021.

B17. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 30 November 2021.