

Top Builders Capital Berhad
Company No. 201301043050 (1072872-D)
(Incorporated in Malaysia)

**Interim financial statements for fourth
quarter ended 30 June 2022**



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Period Ended 30 June 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Current Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year 30.06.2022 RM'000	Preceding Year 30.06.2021 RM'000
Continuing Operations:				
Revenue	2,024	-	19,628	-
Cost of sales	(4,581)	-	175,422	-
Gross profit	(2,557)	-	195,050	-
Other income	1,236	-	2,303	-
Administrative expenses	(9,193)	-	(15,956)	-
Other operating expenses	(1,569)	-	6,489	-
Finance income	16	-	62	-
Finance costs	(921)	-	(2,435)	-
Profit before taxation	(12,988)	-	185,513	-
Taxation	(35,701)	-	(35,701)	-
Profit for the year	(48,689)	-	149,812	-
Profit/(Loss) attribute to :				
Owners of the Company	(48,518)	-	150,387	-
Non-controlling interests	(171)	-	(575)	-
	(48,689)	-	149,812	-
Profit per share (sen) attributable to owners of the parent:				
- Basic	(6.87)	-	21.66	-
- Diluted	N/A	-	N/A	-

There is no comparative for the quarter ended 30 June 2022, 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 June 2022, being the fourth quarter of the financial year ending 30 June 2022 is not comparable with the fourth quarter of the previous financial year ended 31 June 2021.

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 JUNE 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	(Unaudited) As at 30.06.2022 RM'000	(Audited) As at 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,693	29,457
Investment properties	6,796	6,930
Other investments	4	4
Right-of-use assets	11,910	15,127
Total non-current assets	<u>45,403</u>	<u>51,518</u>
Current assets		
Trade and other receivables	65,182	77,987
Contract assets	4,454	2,401
Inventories	83	81
Cash and bank balances	9,787	13,482
Total current assets	<u>79,506</u>	<u>93,951</u>
TOTAL ASSETS	<u><u>124,909</u></u>	<u><u>145,469</u></u>



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
 As at 30 June 2022

	(Unaudited) As at 30.06.2022 RM'000	(Audited) As at 30.06.2021 RM'000
EQUITY AND LIABILITIES		
Share capital	47,579	193,687
Reserve	(105,221)	(405,608)
Deficit in shareholders' funds	<u>(57,642)</u>	<u>(211,921)</u>
Non-controlling interests	<u>(10,329)</u>	<u>(9,754)</u>
Capital Deficiency	<u>(67,971)</u>	<u>(221,675)</u>
Non-current liabilities		
Loans and borrowings	-	416
Lease liabilities	91	5,307
Deferred tax liabilities	4,735	4,734
Total non-current liabilities	<u>4,826</u>	<u>10,457</u>
Current liabilities		
Trade and other payables	117,786	312,687
Contract liabilities	3,171	19,646
Lease liabilities	12,484	6,514
Loans and borrowings	14,069	12,895
Current tax liabilities	40,545	4,945
Total current liabilities	<u>188,055</u>	<u>356,687</u>
Total liabilities	<u>192,881</u>	<u>367,144</u>
TOTAL EQUITY AND LIABILITIES	<u>124,910</u>	<u>145,469</u>
	1	-
Net assets per share (RM)	(0.10)	(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 JUNE 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the Financial Period Ended 30 June 2022

	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		
At 1 January 2020	191,687	(68,500)	-	2,500	(90,032)	35,655	(8,004)	27,651
Share 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)
Share issued	3,892	-	-	-	-	3,892	-	3,892
Capital reduction	(150,000)	-	-	-	150,000	-	-	-
Profit/(Loss) and total comprehensive income/(expense) for the period	-	-	-	-	150,387	150,387	(575)	149,812
At 30 June 2022	47,579	(68,500)	12,715	2,500	(51,936)	(57,642)	(10,329)	(67,971)
						-	-	-

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

The Unaudited Condensed Consolidated Statement of Change 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 JUNE 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 For the Financial Period Ended 30 June 2022

	Current Financial Year 30.06.2022 RM'000	Preceding Year 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	185,513	-
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,158	-
Depreciation of investment property	134	-
Depreciation of right of use	3,217	-
Impairment losses on trade receivables	8,682	-
Adjustment of scheme of arrangement	(206,525)	-
Loss on disposal of PPE	(466)	-
Finance costs	2,434	-
Finance income	(62)	-
Operating loss before changes in working capital	<u>(4,915)</u>	<u>-</u>
Changes in working capital:		
Trade and other receivables	(6,338)	-
Trade and other payables	9,689	-
Contract assets	(6,283)	-
Cash used in operations	<u>(7,847)</u>	<u>-</u>
Tax paid	(505)	-
Net cash used in operating activities	<u>(8,352)</u>	<u>-</u>

There is no comparative for the quarter ended 30 June 2022, 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 June 2022, being the fourth quarter of the financial year ending 30 June 2022 is not comparable with the fourth quarter of the previous financial year ended 31 June 2021.

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 JUNE 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
 For the Financial Period Ended 30 June 2022

	Current Financial Year 31.03.2022 RM'000	Preceding Year 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Acquisition of property, plant and equipment	(32)	-
Interest received	62	-
Net cash used in investing activities	<u>30</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan and other borrowings	(108)	-
Proceeds from private placement	3,892	-
Repayment fo lease liabilities	(124)	-
Net cash from financing activities	<u>3,660</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,662)	-
CASH AND CASH EQUIVALENT AT 1 JULY 2021	(716)	-
CASH AND CASH EQUIVALENT AT 30 JUNE 2022*	<u>(5,378)</u>	<u>-</u>
*Cash and cash equivalents at the end of the financial year comprised the following:		
Fixed deposits with licensed banks	4,369	-
Less: Pledged deposits	(4,369)	-
	<u>-</u>	<u>-</u>
Cash and bank balances	5,418	-
Bank overdrafts	(10,796)	-
	<u>(5,378)</u>	<u>-</u>

There is no comparative for the quarter ended 30 June 2022, 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 June 2022, being the fourth quarter of the financial year ending 30 June 2022 is not comparable with the fourth quarter of the previous financial year ended 31 June 2021.

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.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

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 fourth interim financial statements on the consolidated results for the fourth quarter ended 30 June 2022 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 RM108.55million and its capital deficiency was RM67.97million. 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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED 30 JUNE 2022

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.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

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 June 2022.

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 June 2022.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter ended 30 June 2022.

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.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

A13. Contingent Liabilities

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

	Current quarter as at 30.06.2022 RM'000	Audited as at 30.06.2021 RM'000
Guarantees		
Guarantees given to:		
- Subsidiaries' creditors	9,295	17,732
- Banks for facilities granted to subsidiaries	13,676	12,872
	<u>22,971</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 June 2022 and preceding year ended 30 June 2021.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED 30 JUNE 2022

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
	30.06.2022	30.06.2022
	RM'000	RM'000
Revenue	2,024	19,628
Adjustment of scheme of arrangement	(1,569)	206,525
Operating (Loss)/Profit	(12,083)	187,886
(Loss)/Profit Before Tax	(12,988)	185,513
(Loss)/Profit After Tax	(48,689)	149,812
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(48,518)	150,387

B2. Comparison with Preceding Quarter's Results

	Current Quarter	Immediate	%
	Ended 30.06.2022	Preceding Quarter	+ / (-)
	(RM'000)	Ended 31.03.2022	
		(RM'000)	
Revenue	2,024	1,886	7%
Adjustment of scheme of arrangement	(1,569)	-	>100%
Operating Loss	(12,083)	(1,753)	>100%
Loss Before Tax	(12,988)	(2,224)	>100%
Loss After Tax	(48,689)	(2,224)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(48,518)	(2,143)	>100%

During the current quarter under review, the Group recorded a revenue of RM2.024 million i.e., a decrease of RM0.138 million as compared to RM1.886 million reported in preceding quarter ended 31 March 2022.

The Group reported a loss before tax RM12.988million for the current quarter ended 30 June 2022 i.e., a decrease of RM196.787 million as compared to RM209.775 million losses recorded in the preceding year corresponding quarter ended 30 June 2021.

Loss for the current quarter ended 30 June 2022 is primarily due impairment losses on trade receivables.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B3. Prospects

The Group expects the prospects of the construction industry to be improving this year following the transition of the Covid-19 status from pandemic to endemic and the subsequent upliftment of the restrictions, improving economic conditions, the government's focus on completing large infrastructure projects and increased investment on industrial and energy projects.

Nonetheless, the Group expects its prospects to remain neutral pending its completion of the remaining projects and regularise its PN17 position.

B4. Profit Forecast or Profit Guarantee

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

B5. Profit Before Tax

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

	Current quarter ended 30.06.2022 RM'000	Current financial period ended 30.06.2022 RM'000
Adjustment of scheme of arrangement	1,569	(206,525)
Depreciation of property, plant and equipment	492	2,158
Depreciation of investment property	-	100
Depreciation of right of use	14	2,426
Impairment losses on trade receivables	9,785	9,785
Finance income	(16)	(62)
Finance costs	921	2,435
	<hr/>	<hr/>

B6. Taxation

	Current quarter ended 30.06.2022 RM'000	Current financial period ended 30.06.2022 RM'000
Current tax expense	35,701	35,701
	<hr/>	<hr/>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

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 37,000,000 new ordinary shares at RM0.0558 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:

a. Proposed Scheme of Arrangement

The Board have obtained from the High Court of Malaya at Kuala Lumpur to sanction the Applicants' schemes of arrangement ("Order") on 2 December 2021 and lodged with the Companies Commission of Malaysia the sealed Order on 10 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 June 2022.

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 June 2022.



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

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED 30 JUNE 2022

B9. Group Borrowings

The Group's borrowings as at 30 June 2022 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
As at 30 June 2022			
Secured term loans	3,273	-	3,273
Secured bank overdrafts	10,796	-	10,796
	<u>14,069</u>	<u>-</u>	<u>14,069</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 June 2022, being a date not earlier than 7 days from the date of this announcement.

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 31 March 2022.

- (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 next hearing of the case is scheduled to be held on 18 July 2022.

- (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 27 June 2022.

- (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 suit has been withdrawn without liberty to file afresh with no order as to costs.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B12. Material Litigation - continued

- (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 suit has been withdrawn without liberty to file afresh with no order as to costs.

- (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 suit has been withdrawn with liberty to file afresh on 12 April 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 12 September 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)**

Parties have entered into a Consent Judgment 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 31 March 2022.

- (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 suit has been withdrawn without liberty to file afresh with no order as to costs.

- (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)**

As at the date of this announcement, there is no further update in the current quarter ended 31 March 2022.

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

The suit has been withdrawn with liberty to file afresh on 6 April 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 31 March 2022.

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

The application to set aside Judgment in Default has been withdrawn and a settlement has been reached via the Scheme of Arrangement.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B12. Material Litigation - continued

(o) Kualiti Alam Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”) – Kuala Lumpur High Court of Malaya (WA-A52NCVC-707-10/2021)

IJSB had been served with a Judgement in Default dated 22 December 2021 by the solicitors of the Plaintiff on 22 December 2021.

The circumstances leading to the filing of the Judgment in Default was due to the fact that no appearance of IJSB for the hearing held on 14 December 2021.

IJSB solicitors is drafting a letter to the plaintiff to set aside the Judgment and be part of the scheme of arrangement.

(p) Marinah Binti Abdullah vs Top Builders Capital Berhad (“TBCB”) – Petaling Jaya High Court (BB-A52NCVC-152-10/2021)

TBCB had been served with a Judgement in Default of Appearance dated 28 December 2021 by the solicitors of the Plaintiff on 24 February 2022.

IJSB solicitors is drafting a letter to the plaintiff to set aside the Judgment and be part of the scheme of arrangement.

(q) Singa Marine Sdn. Bhd. vs Ikhmas Jaya Sdn. Bhd. (“IJSB”) – Pulau Pinang High Court (PA-A72NCC-322-11/2021)

IJSB had been served with a Writ of Summons (“Writ”) and a Statement of Claim (“SoC”) both dated 19 November 2021 by the solicitors of the Plaintiff on 30 November 2021.

IJSB had been demanding for the settlement of outstanding of RM26,896.61, interest of 1.5% per month calculated from the July 2020 until the date of the full settlement.

The case management was scheduled to be held on 10 February 2022.

The liability has been accrued for in the financial statements.

IJSB solicitors is drafting a letter to the plaintiff to set aside the Judgment and be part of the scheme of arrangement.

(r) Lembaga Kumpulan Wang Simpanan Pekerja vs Ikhmas Jaya Sdn. Bhd. (“IJSB”)

IJSB had been served with a Writ of Summons (“Writ”) and a Statement of Claim (“SoC”) both dated 23 March 2022 by the solicitors of the Plaintiff on 30 March 2022. Case number: WA-22NCVC-159-03/2022.

IJSB had been demanding for the settlement of unpaid contribution of RM1,291,179.00 together with the dividend and late payment charges.

Consent Judgment has been entered on 11 May 2022.

The liability has been accrued for in the financial statements.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B12. Material Litigation - continued

(s) RHB Bank Berhad vs Top Builders Capital Berhad (“TBC”) & Ikhmas Equipment Sdn. Bhd. (“IESB”)

TBC and IESB had been served with a Writ of Summons (“Writ”) dated 7 April 2022 by the solicitors of the Plaintiff on 12 April 2022.

IESB had failed to pay the hire purchase payment total amounting to RM634,416.93 including the late payment interest.

The liability has been accrued for in the financial statements

The next case management was scheduled to be held on 14 June 2022.

(t) Ambank (M) Berhad vs Top Builders Capital Berhad (“TBC”) & Ikhmas Equipment Sdn. Bhd. (“IESB”)

TBC and IESB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 29 April 2022 by the solicitors of the Plaintiff on 9 May 2022.

IESB had failed to pay the hire purchase payment total amounting to RM3,074,386.68 including the late payment interest.

The liability has been accrued for in the financial statements

The case management was scheduled to be held on 4 July 2022.

(u) Ambank (M) Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”)

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 31 May 2022 by the solicitors of the Plaintiff on 2 June 2022.

IJSB had failed to settle the overdraft payment amounting to RM9,068,080.30 including the interest rate.

The liability has been accrued for in the financial statements

(v) Pac Lease Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”)

IJSB had been served with a Notice of Statutory Demand (“NSD”) dated 7 June 2022 by the solicitors of the Plaintiff on 8 June 2022.

IJSB had failed to pay the payment total amounting to RM801,604.42 including the late payment interest.

The liability has been accrued for in the financial statements.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B12. Material Litigation - continued

(w) Scatech Sdn Bhd vs Ikhmas Jaya Sdn Bhd (“IJSB”)

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 22 June 2022 by the solicitors of the Plaintiff on 27 June 2022.

IJSB had failed to pay for the rental and shifting of gondola total amounting to RM110,792.01.

The liability has been accrued for in the financial statements.

(x) Hilti (Malaysia) Sdn Bhd vs Ikhmas Jaya Sdn Bhd (“IJSB”)

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 17 June 2022 by the solicitors of the Plaintiff on 28 June 2022.

IJSB had failed to pay for the supply and delivery of materials and/or equipment for construction works total amounting to RM58,326.90.

The liability has been accrued for in the financial statements.

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.

The Group have obtained from the High Court of Malaya at Kuala Lumpur to sanction the Applicants’ schemes of arrangement (“Order”) on 2 December 2021 and lodged with the Companies Commission of Malaysia the sealed Order on 10 December 2021.

B14. Dividend

No dividend was declared for the current quarter and financial period ended 30 June 2022.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED
30 JUNE 2022**

B15. Profit per Share

The earnings per share for the current quarter and current financial period ended 30 June 2022 is computed as follows:-

	Current quarter ended	Current financial period ended
	30.06.2022	30.06.2022
(Loss)/Profit for the quarter/period, attributable to owners of the parent (RM'000)	(48,518)	150,387
Weighted average number of ordinary shares in issue ('000)	705,950	694,347
Basic (Loss) / Profit Per Share (RM)	(0.0687)	0.2166

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 June 2022.

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.

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 2021 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).



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

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED 30 JUNE 2022

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

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 RM60.78million and its capital deficiency was RM19.28million. 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.

However, The Relief Period for TBCB is due to expire on 29 December 2021. On 28 December 2021, the Board had submitted an application to Bursa Securities for the extension of 6 months for the Relief Period granted to TBCB from 29 December 2021 to 28 June 2022 ("Extension of Relief Period"). On 27 January 2022, the Board has received the decision letter from Bursa Securities rejecting the Company's application for the Extension of Relief Period. On 28 January 2022, the Board has announced TBCB's classification as Practice Note 17 company effective from 29 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 37,000,000 new ordinary shares at RM0.0558 per share on Main Market of Bursa Malaysia and these private placements had raised RM2,064,600 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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FOURTH QUARTER ENDED 30 JUNE 2022

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 obtained from the High Court of Malaya at Kuala Lumpur to sanction the Applicants' schemes of arrangement ("Order") on 2 December 2021 and lodged with the Companies Commission of Malaysia the sealed Order on 10 December 2021.

- **Restraining Order**

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

d. On 28 December 2021, the Board had submitted an application to Bursa Securities for the extension of 6 months for the Relief Period granted to TBCB from 29 December 2021 to 28 June 2022 ("Extension of Relief Period"). On 27 January 2022, the Board has received the decision letter from Bursa Securities rejecting the Company's application for the Extension of Relief Period.

e. The Company is in the midst of formulating a regularisation plan to address its financial condition and the Company shall make the necessary announcement in regard to the development on the above matter.

The Company has approximately 4 months to submit its regularisation plan to the relevant regulators for the approval of the same.

B17. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 30 June 2022.