

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

**Interim financial statements for first  
quarter ended 30 September 2022**

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year Current Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year 30.09.2022 RM'000	Preceding Year 30.09.2021 RM'000
<b>Continuing Operations:</b>				
Revenue	1,430	7,151	1,430	7,151
Cost of sales	(2,051)	(7,702)	(2,051)	(7,702)
Gross loss	(621)	(551)	(621)	(551)
Other income	361	95	361	95
Administrative expenses	(801)	(3,464)	(801)	(3,464)
Other operating expenses	(411)	(309)	(411)	(309)
Finance income	17	16	17	16
Finance costs	(190)	(702)	(190)	(702)
<b>Loss before taxation</b>	<b>(1,645)</b>	<b>(4,915)</b>	<b>(1,645)</b>	<b>(4,915)</b>
Taxation	-	-	-	-
<b>Loss for the year</b>	<b>(1,645)</b>	<b>(4,915)</b>	<b>(1,645)</b>	<b>(4,915)</b>
<b>Loss attribute to :</b>				
Owners of the Company	(1,623)	(4,767)	(1,623)	(4,767)
Non-controlling interests	(22)	(148)	(22)	(148)
	<b>(1,645)</b>	<b>(4,915)</b>	<b>(1,645)</b>	<b>(4,915)</b>
<b>Loss per share (sen) attributable to owners of the parent:</b>				
- Basic	(0.23)	(0.81)	(0.23)	(0.81)
- Diluted	N/A	N/A	N/A	N/A

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 2022.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2022

	(Unaudited) As at 30.09.2022 RM'000	(Audited) As at 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,267	26,533
Investment properties	6,762	6,796
Other investments	4	4
Right-of-use assets	11,222	11,948
<b>Total non-current assets</b>	43,255	45,281
<b>Current assets</b>		
Trade and other receivables	59,770	57,163
Contract assets	5,053	4,487
Inventories	83	83
Non-current asset held for sales	160	160
Cash and bank balances	9,372	9,787
<b>Total current assets</b>	74,438	71,680
<b>TOTAL ASSETS</b>	117,693	116,961

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 2022.

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

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

	(Unaudited) As at 30.09.2022 RM'000	(Audited) As at 30.06.2022 RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	47,579	47,579
Reserve	(108,257)	(106,634)
<b>Deficit in shareholders' funds</b>	(60,678)	(59,055)
<b>Non-controlling interests</b>	(10,499)	(10,477)
<b>Capital Deficiency</b>	(71,177)	(69,532)
<b>Non-current liabilities</b>		
Loans and borrowings	-	429
Lease liabilities	52	59
Deferred tax liabilities	4,701	4,700
<b>Total non-current liabilities</b>	4,753	5,188
<b>Current liabilities</b>		
Trade and other payables	114,270	101,221
Contract liabilities	2,553	13,453
Lease liabilities	12,245	12,202
Loans and borrowings	14,504	13,884
Current tax liabilities	40,545	40,545
<b>Total current liabilities</b>	184,117	181,305
<b>Total liabilities</b>	188,870	186,493
<b>TOTAL EQUITY AND LIABILITIES</b>	117,693	116,961
Net assets per share (RM)	(0.10)	(0.10)

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 2022.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 For the Financial Period Ended 30 September 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		
<b>At 1 July 2021</b>	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 year	-	-	-	-	148,974	148,974	(723)	148,251
<b>At 30 June 2022</b>	<b>47,579</b>	<b>(68,500)</b>	<b>12,715</b>	<b>2,500</b>	<b>(53,349)</b>	<b>(59,055)</b>	<b>(10,477)</b>	<b>(69,532)</b>
<b>At 1 July 2022</b>	47,579	(68,500)	12,715	2,500	(53,349)	(59,055)	(10,477)	(69,532)
Share issued	-	-	-	-	-	-	-	-
Profit/(Loss) and total comprehensive income/(expense) for the year	-	-	-	-	(1,623)	(1,623)	(22)	(1,645)
<b>At 30 September 2022</b>	<b>47,579</b>	<b>(68,500)</b>	<b>12,715</b>	<b>2,500</b>	<b>(54,972)</b>	<b>(60,678)</b>	<b>(10,499)</b>	<b>(71,177)</b>

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 2022.



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

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

	Current Financial Year 30.09.2022 RM'000	Preceding Year 30.09.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,645)	(4,915)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	198	584
Depreciation of investment property	222	34
Depreciation of right of use	726	804
Gain on disposal of PPE	(74)	-
Finance costs	190	702
Finance income	(17)	(16)
<b>Operating loss before changes in working capital</b>	<u>(400)</u>	<u>(2,807)</u>
Changes in working capital:		
Trade and other receivables	452	44,962
Trade and other payables	513	(29,707)
Contract assets	(1,276)	(15,788)
<b>Cash used in operations</b>	<u>(711)</u>	<u>(3,340)</u>
Tax paid	-	(57)
<b>Net cash used in operating activities</b>	<u>(711)</u>	<u>(3,397)</u>

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 2022.



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

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

	Current Financial Year 30.09.2022 RM'000	Preceding Year 30.09.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(9)	-
Proceed from disposal of assets	235	
Interest received	17	16
<b>Net cash used in investing activities</b>	<u>243</u>	<u>16</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan and other borrowings	(30)	-
Proceeds from private placement	-	1,827
Repayment fo lease liabilities	-	(8)
Increase in pledged fixed deposits	(895)	(121)
Interest paid	(115)	(702)
<b>Net cash from financing activities</b>	<u>(1,040)</u>	<u>996</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,508)	(2,385)
<b>CASH AND CASH EQUIVALENT AT 1 JULY 2022</b>	<u>(5,360)</u>	<u>(703)</u>
<b>CASH AND CASH EQUIVALENT AT 30 SEPTEMBER 2022*</b>	<u>(6,868)</u>	<u>(3,088)</u>
<b>*Cash and cash equivalents at the end of the financial year comprised the following:</b>		
Fixed deposits with licensed banks	5,282	4,423
Less: Pledged deposits	<u>(5,282)</u>	<u>(4,423)</u>
	-	-
Cash and bank balances	4,090	6,774
Bank overdrafts	<u>(10,958)</u>	<u>(9,862)</u>
	<u>(6,868)</u>	<u>(3,088)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 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 first interim financial statements on the consolidated results for the first 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 2022. 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 2022.

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 2022.

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 RM109.68million and its capital deficiency was RM60.68million. 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.



## 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 2022 except for the adoption of the following Amendments to MFRSs:-

### ***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 2022 with Disclaimer of Opinion.

Basis for Disclaimer of Opinion, auditor have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

1. The following events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.
  - i. As disclosed in Note 2(e) to the financial statements, which disclosed that the Group and the Company incurred accumulated losses of RM53,349,000 and RM77,645,000 respectively during the financial year ended 30 June 2022 and, as of that date, the Group and the Company's current liabilities exceeded their current assets by RM109,625,000 and RM31,750,000 respectively.
  - ii. As disclosed in Note 40.2(a)(ii) to the financial statements, the High Court of Malaya had on 2 December 2021 sanctioned the individual Scheme of Arrangement ("SOA") ("Court Sanction") of the Company, and its two (2) subsidiary companies, Ikhmas Jaya Sdn Bhd ("IJSB") and Ikhmas Equipment Sdn Bhd ("IESB"). However, the SOAs have yet to be implemented as at the date of this report.

**A3. Auditor’s Report****Basis for Disclaimer of Opinion (Cont’d)**

- iii. As disclosed in Note 40.4 to the financial statements, the Company on 28 December 2021 submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the extension of 6 months for the Relief Period granted to the Company from 29 December 2021 to 28 June 2022 (“Extension of Relief Period”) under the PN17 Relief Measures announced by Bursa Securities on 16 June 2021. On 27 January 2022, the Company received the decision letter from Bursa Securities rejecting the Company’s application for the Extension of Relief Period. Consequential thereof, the Company was classified as a PN17 listed issuer under the Main Market Listing Requirements with effect from 30 December 2021 and shall submit a Regularisation Plan (“the Plan”) to Securities Commission Malaysia to regularise its financial condition within 12 months from 30 December 2021. The Company had on 3 January 2023 submitted an application for an extension of three (3) months for the Company to submit the Plan from 29 December 2022. On 10 February 2023, Bursa Securities granted the Company an extension of time of six (6) months up to 29 June 2023 to submit the Plan to the regulatory authorities.

Notwithstanding the above, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is dependent on the following:

- a. the Group and the Company is currently in the process of formulating a Plan to address the financial condition of the Group and of the Company and believes that the Plan once formulated and implemented after obtaining the approval from relevant authorities, will enable the Group and the Company to generate sufficient cash flows to meet their obligations and continue sustainable and viable operations; and
  - b. continuous financial support provided by substantial shareholders to the Group and the Company to meet their obligations.
1. As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the feasibility of the Group’s and the Company’s Plan. Consequently, we are unable to evaluate the appropriateness of management’s use of the going concern basis of accounting for the Group and the Company. As a result, we were unable to form an opinion as to whether the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and of the Company is appropriate.
  2. As disclosed in Note 40.2(a)(i) to the financial statements, the Group’s and the Company’s SOAs were approved by requisite majority of the scheme creditors present and voting at their respective Court convened meetings on 26 August 2021. However, based on our review of the computation of adjustments of SOAs, we noted that the basis used by the Group and the Company to compute the adjustments of SOAs was not in consistent with the basis stipulated in the SOAs. Accordingly, we were unable to ascertain the accuracy of the adjustment of SOAs of the Group and the Company amounted to RM206,514,000 and RM14,478,000 respectively.
  3. As disclosed in Note 7 to the financial statements, we have not acted as auditors for one of the subsidiary companies, MM2 Building System Sdn Bhd (“MM2B”). The financial statements of MM2B for two (2) years ended 30 June 2021 and 30 June 2022 have not been audited by other firm of auditors. In view of the matter mentioned above, we were unable to obtain sufficient appropriate audit evidence to determine the fairness of financial statements of MM2B which were used to prepared the consolidated financial statements of the Company for the year ended 30 June 2022.
  4. As at 30 June 2022, the Group recorded property, plant and equipment and right-of-use assets with carrying value amounted to RM26,533,000 and RM11,948,000 respectively in their financial statements. However, we were unable to verify the physical existence of a portion of the plant and equipment and right-of-use assets with carrying value amounted to RM2,435,000 and RM8,147,000 respectively in the financial statements of the Group.

**A3. Auditor’s Report**

**Basis for Disclaimer of Opinion (Cont’d)**

5. As at 30 June 2022, we were unable to verify other payables and accruals amounted to RM23,771,000 and RM1,113,000 in the financial statements of the Group and the Company respectively as no relevant supporting documents were provided for our review. We were also unable to verify these amounts by other alternative procedures.
6. As disclosed in Note 39 to the financial statements, The legal documents of the Group and the Company which were provided for our review were not complete and duly updated and we were also unable to obtain solicitors’ opinion in relation to the outcome of all the material litigations. Accordingly, we were unable to determine whether potential adjustments are necessary, if any, and related information that may require disclosure in these financial statements.
7. As at 30 June 2022, the Group has not taken up deferred tax liabilities amounted to approximately RM4,200,000 in its financial statements. Accordingly, we were unable to satisfy ourselves as to the accuracy of deferred taxation of the Group.

**A4. Seasonality or Cyclicity of Interim Operations**

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

**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 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 September 2022.

**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter ended 30 September 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 2022 and 2021. All the Group’s operations are carried out in Malaysia.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**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.

**A13. Contingent Liabilities**

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

	<b>Current quarter as at 30.09.2022 RM'000</b>	<b>Audited as at 30.06.2022 RM'000</b>
<b>Guarantees</b>		
Guarantees given to:		
- Subsidiaries' creditors	9,295	9,295
- Banks for facilities granted to subsidiaries	13,762	13,676
	<u>23,057</u>	<u>22,971</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 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
	30.09.2022	30.09.2022
	RM'000	RM'000
Revenue	1,430	1,430
Operating Loss	(1,472)	(1,472)
Loss Before Tax	(1,645)	(1,645)
Loss After Tax	(1,645)	(1,645)
Loss Attributable to Ordinary Equity Holders of the Parent	(1,623)	(1,623)

**B2. Comparison with Preceding Quarter's Results**

	Current Quarter Ended 30.09.2022 (RM'000)	Immediate Preceding Quarter Ended 30.06.2022 (RM'000)	% +/(–)
Revenue	1,430	2,366	7%
Adjustment of scheme of arrangement	-	-	>100%
Operating Loss	(1,472)	(13,541)	>100%
Loss Before Tax	(1,645)	(14,470)	>100%
Loss After Tax	(1,645)	(50,249)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,623)	(50,078)	>100%

During the current quarter under review, the Group recorded a revenue of RM1.430 million i.e., a decrease of RM0.936 million as compared to RM2.366 million reported in preceding quarter ended 30 June 2022.

The Group reported a loss before tax RM1.623million for the current quarter ended 30 September 2022 i.e., a decrease of RM48.455 million as compared to RM50.078 million losses recorded in the preceding year corresponding quarter ended 30 June 2022.

Loss for the current quarter ended 30 September 2022 is primarily due lower recognition of revenue from ongoing projects.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2022**
**B3. Prospects (COMPANY TO COMMENT)**

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**

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

	<b>Current quarter ended 30.09.2022 RM'000</b>	<b>Current financial period ended 30.09.2022 RM'000</b>
Depreciation of property, plant and equipment	199	199
Depreciation of investment property	222	222
Depreciation of right of use	726	726
Finance income	(17)	(17)
Finance costs	190	190
	<u>190</u>	<u>190</u>

**B6. Taxation**

	<b>Current quarter ended 30.09.2022 RM'000</b>	<b>Current financial period ended 30.09.2022 RM'000</b>
Current tax expense	<u>-</u>	<u>-</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2022**
**B7. Status of Corporate Proposal**

There were no corporate proposal during the current quarter and financial period ended 30 September 2022.

**B8. Investment in Quoted Securities**

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 30 September 2022.

**B9. 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 2022.

**B10. Group Borrowings**

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

	Short Term RM'000	Long Term RM'000	Total RM'000
<b>As at 30 September 2022</b>			
Secured term loans	3,546	-	3,546
Secured bank overdrafts	10,958	-	10,958
	<u>14,504</u>	<u>-</u>	<u>14,504</u>
	Short Term RM'000	Long Term RM'000	Total RM'000
<b>As at 30 June 2022</b>			
Secured term loans	3,105	-	3,105
Secured bank overdrafts	10,779	-	10,779
	<u>13,884</u>	<u>-</u>	<u>13,884</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

**B11. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risks as at 30 September 2022, being a date not earlier than 7 days from the date of this announcement.



**B12. 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 2022, there is no further update in the current quarter ended 30 September 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.  
There is no further update on the case as at the date of this report.

- (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)**

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. The next hearing of the case is scheduled to be held on 27 June 2022. There is no further update on the case as at the date of this report.

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

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. The suit has been withdrawn with liberty to file afresh with no order as to costs.

- (e) **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. There is no further update on the case as at the date of this report.

- (f) **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)**

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. Parties have entered into a Consent Judgment on 17 March 2022.

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

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. There is no further update on the case as at the date of this report.

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

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. The suit has been withdrawn with liberty to file afresh on 6 April 2022.



**B12. Material litigation - continue**

- (i) **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. There is no further update on the case as at the date of this report.

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

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. There is no further update on the case as at the date of this report.

- (k) **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.

- (l) **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.

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 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.

- (m) **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.

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

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. There is no further update on the case as at the date of this report.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**B12. Material litigation - continue**

**(o) 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.

**(p) 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.

There is no further update on the case as at the date of this report.

**(q) 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.

There is no further update on the case as at the date of this report.

**B12. Material litigation - continue**

**(r) 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

There is no further update on the case as at the date of this report.

**(s) Pac Lease Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”) (WA-28NCC-756-09/2022)**

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.

There is no further update on the case as at the date of this report.

**(t) 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.

There is no further update on the case as at the date of this report.

**(u) 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.

There is no further update on the case as at the date of this report.

**B12. Material litigation - continue**

**(v) Malayan Banking Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”) and Ikhmas Equipment Sdn Bhd (“IESB”) – Kuala Lumpur High Court (WA-22NCC-484-09/2022)**

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.

There is no further update on the case as at the date of this report.

**(w) Hong Leong Bank Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Kuala Lumpur High Court (WA-24FC-271-04/2022)**

IJSB had been served with a Originating Summons (“OS”) and Notice under Section 253(4) National and Code 1965 dated 21.04.2022.

IJSB had failed to settle the Term Loan payment amounting to RM856,098.64 including the interest rate.

The liability has been accrued for in the financial statements.

IJSB is in the midst of negotiating with HLBB to resolve this matter out of courts.

**(x) Pembinaan Mentari vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Shah Alam High Court (BA-B52NCVC-74-03/2020)**

IJSB was served with the Writ of Summons for the failure to pay the subcontractor for the amount of RM 577,953.29.

The liability has been accrued in the financial statements.

IJSB is in the midst of negotiating with Pembinaan Menteri to resolve this matter out of courts.

**(y) Edwincon Enterprise Sdn Bhd vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Shah Alam High Court (BA-A52NCVC-607-11/2020)**

IJSB was served with the Writ of Summons for the failure to pay the subcontractor for the amount of RM 231,501.12.

The liability has been accrued in the financial statements.

IJSB is in the midst of negotiating with Edwincon to resolve this matter out of courts.

**B12. Material litigation - continue**

**(z) Tee Yew Fong vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Kuala Lumpur High Court**

IJSB had been served with a judgement in default dated 3.03.2022 by the solicitors of the Plaintiff on 10 March 2022.

IJSB had been demanding for the settlement of outstanding salary of RM262,787.45, interest of 5% per annum calculated from the Judgement date until the date of the full settlement.

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

The liability has been accrued for in the financial statements.

**(aa) Tenaga Nasional Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”)**

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 14 July 2022 by the solicitors of the Plaintiff on 28 June 2022.

IJSB had failed to pay for the outstanding electricity supply amounting to RM66,165.87, interest of 5% per annum calculated from the date of filing of Writ and Statement of claim until the date of the full settlement.

The liability has been accrued for in the financial statements.

**(bb) Tenaga Nasional Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”)**

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both dated 13 July 2022 by the solicitors of the Plaintiff on 21 July 2022.

IJSB had failed to pay for the outstanding electricity supply amounting to RM15,440.78, interest of 5% per annum calculated from the date of filing of Writ and Statement of claim until the date of the full settlement.

The liability has been accrued for in the financial statements.

**(cc) Malayan Banking Berhad vs Ikhmas Jaya Equipment Sdn Bhd (“IESB”)**

IESB had on 10 May 2023 received the winding up petition by Kuala Lumpur High Court dated 18 April 2023 arose from non-payment of RM5,198,078.93 for facilities under industrial hire-purchase agreement.

**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.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**B14. Dividend**

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

**B15. Profit per Share**

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

	<b>Current quarter ended</b>	<b>Current financial period ended</b>
	<b>30.09.2022</b>	<b>30.09.2022</b>
Loss for the quarter/year, attributable to owners of the parent (RM'000)	(1,623)	(1,623)
Weighted average number of ordinary shares in issue ('000)	705,950	705,950
Basic Loss Per Share (RM)	(0.0023)	(0.0023)

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 2022.

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

On 28 December 2021, the Company submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the extension of 6 months for the Relief Period granted to the Company from 29 December 2021 to 28 June 2022 ("Extension of Relief Period") under the PN17 Relief Measures announced by Bursa Securities on 16 June 2021. On 27 January 2022, the Company received the decision letter from Bursa Securities rejecting the Company's application for the Extension of Relief Period. Consequential thereof, the Company was classified as a PN17 listed issuer under the Main Market Listing Requirements with effect from 30 December 2021 and shall submit a Regularisation Plan ("the Plan") to Securities Commission Malaysia to regularise its financial condition within 12 months from 30 December 2021. The Company had on 3 January 2023 submitted an application for an extension of three (3) months for the Company to submit the Plan from 29 December 2022. On 10 February 2023, Bursa Securities granted the Company an extension of time of six (6) months up to 29 June 2023 to submit the Plan to the regulatory authorities.

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 **1 month** 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 8 June 2023.