

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

**Interim financial statements for second
quarter ended 31 December 2022**



TOP BUILDERS CAPITAL BERHAD Registration No: 201301043050 (1072872-D)
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Period Ended 31 December 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Current Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year 31.12.2022 RM'000	Preceding Year 31.12.2021 RM'000
Continuing Operations:				
Revenue	2,585	8,566	4,015	15,717
Cost of sales	(3,213)	190,423	(5,264)	182,720
Gross (loss) / profit	(628)	198,989	(1,249)	198,437
Other income	(117)	52	244	147
Administrative expenses	(2,026)	(1,768)	(2,827)	(5,232)
Other operating expenses	(253)	8,677	(664)	8,368
Finance income	21	15	38	31
Finance costs	(208)	(327)	(398)	(1,029)
(Loss)/profit before taxation	(3,211)	205,638	(4,856)	200,722
Taxation	-	-	-	-
(Loss)/profit for the year	(3,211)	205,638	(4,856)	200,722
(Loss)/profit attribute to :				
Owners of the Company	(3,145)	205,812	(4,768)	201,044
Non-controlling interests	(66)	(174)	(88)	(322)
	<u>(3,211)</u>	<u>205,638</u>	<u>(4,856)</u>	<u>200,722</u>
(Loss)/profit per share (sen) attributable to owners of the parent:				
- Basic	(0.45)	29.15	(0.68)	28.48
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 31 DECEMBER 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	(Unaudited)	(Audited)
	As at 31.12.2022	As at 30.06.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,894	26,533
Investment properties	10,763	6,796
Other investments	4	4
Right-of-use assets	10,496	11,948
Total non-current assets	<u>46,157</u>	<u>45,281</u>
Current assets		
Trade and other receivables	55,546	57,163
Contract assets	6,049	4,487
Inventories	83	83
Non-current asset held for sales	-	160
Cash and bank balances	9,644	9,787
Total current assets	<u>71,322</u>	<u>71,680</u>
TOTAL ASSETS	<u><u>117,479</u></u>	<u><u>116,961</u></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 31 DECEMBER 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
As at 31 December 2022

	(Unaudited) As at 31.12.2022 RM'000	(Audited) As at 30.06.2022 RM'000
EQUITY AND LIABILITIES		
Share capital	47,579	47,579
Reserve	(111,402)	(106,634)
Deficit in shareholders' funds	(63,823)	(59,055)
Non-controlling interests	(10,565)	(10,477)
Capital Deficiency	(74,388)	(69,532)
Non-current liabilities		
Loans and borrowings	-	429
Lease liabilities	52	59
Deferred tax liabilities	4,700	4,700
Total non-current liabilities	4,752	5,188
Current liabilities		
Trade and other payables	118,027	101,221
Contract liabilities	2,029	13,453
Lease liabilities	12,270	12,202
Loans and borrowings	14,244	13,884
Current tax liabilities	40,545	40,545
Total current liabilities	187,115	181,305
Total liabilities	191,867	186,493
TOTAL EQUITY AND LIABILITIES	117,479	116,961
Net assets per share (RM)	(0.11)	(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 31 DECEMBER 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Financial Period Ended 31 December 2022

	Attributable to the owners of the Company						Non-controlling interests	Total equity/ (Capital deficiency)
	Share capital	Non-distributable						
		Merger Deficit	Revaluation reserve	Other reserve	Accumulated losses	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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 year	-	-	-	-	148,974	148,974	(723)	148,251
At 30 June 2022	47,579	(68,500)	12,715	2,500	(53,349)	(59,055)	(10,477)	(69,532)
At 1 July 2022	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	-	-	-	-	(4,768)	(4,768)	(88)	(4,856)
At 31 December 2022	47,579	(68,500)	12,715	2,500	(58,117)	(63,823)	(10,565)	(74,388)

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 31 DECEMBER 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Period Ended 31 December 2022

	Current Financial Year 31.12.2022 RM'000	Preceding Year 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,856)	200,722
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	391	1,150
Depreciation of investment property	456	67
Depreciation of right of use	1,453	1,341
Adjustment of scheme of arrangement	-	(208,094)
Loss on disposal of PPE	113	-
Finance costs	398	1,029
Finance income	(38)	(31)
Operating loss before changes in working capital	<u>(2,083)</u>	<u>(3,816)</u>
Changes in working capital:		
Inventories	-	(8)
Trade and other receivables	(113)	41,695
Trade and other payables	4,981	(25,000)
Contract assets	(2,786)	(18,661)
Cash used in operations	<u>(1)</u>	<u>(5,790)</u>
Tax paid	-	(99)
Net cash used in operating activities	<u>(1)</u>	<u>(5,889)</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 31 DECEMBER 2022
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
For the Financial Period Ended 31 December 2022

	Current Financial Year 31.12.2022 RM'000	Preceding Year 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Acquisition of property, plant and equipment	(12)	(34)
Proceed from disposal of assets	235	-
Interest received	38	31
Net cash used in investing activities	<u>261</u>	<u>(3)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan and other borrowings	(174)	(25)
Proceeds from private placement	-	3,892
Repayment for lease liabilities	(43)	(229)
Increase in pledged fixed deposits	(933)	(36)
Interest paid	(257)	(1,029)
Net cash from financing activities	<u>(1,407)</u>	<u>2,573</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,147)	(3,319)
CASH AND CASH EQUIVALENT AT 1 JULY 2022	<u>(5,360)</u>	<u>(703)</u>
CASH AND CASH EQUIVALENT AT 31 DECEMBER 2022*	<u>(6,507)</u>	<u>(4,022)</u>
*Cash and cash equivalents at the end of the financial year comprised the following:		
Fixed deposits with licensed banks	5,303	4,338
Less: Pledged deposits	(5,301)	(4,338)
	2	-
Cash and bank balances	4,341	6,400
Bank overdrafts	(10,850)	(10,422)
	<u>(6,507)</u>	<u>(4,022)</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 – SECOND QUARTER ENDED 31 DECEMBER 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 second quarter ended 31 December 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 RM115.79million and its capital deficiency was RM74.39million. 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 – SECOND QUARTER ENDED 31 DECEMBER 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 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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED
31 DECEMBER 2022**

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.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED
31 DECEMBER 2022**

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 31 December 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 31 December 2022.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter ended 31 December 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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 31 DECEMBER 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:

	Current quarter as at 31.12.2022 RM'000	Audited as at 30.06.2022 RM'000
Guarantees		
Guarantees given to:		
- Subsidiaries' creditors	9,293	9,295
- Banks for facilities granted to subsidiaries	13,644	13,676
	<u>22,937</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 31 December 2022.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 31 DECEMBER 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
	31.12.2022	31.12.2022
	RM'000	RM'000
Revenue	2,585	4,015
Operating Loss	(3,024)	(4,496)
Loss Before Tax	(3,211)	(4,856)
Loss After Tax	(3,211)	(4,856)
Loss Attributable to Ordinary Equity Holders of the Parent	(3,145)	(4,768)

B2. Comparison with Preceding Quarter's Results

	Current Quarter	Immediate	%
	Ended 31.12.2022	Preceding Quarter	+ / (-)
	(RM'000)	Ended 30.09.2022	
		(RM'000)	
Revenue	2,585	1,430	81%
Operating Loss	(3,024)	(1,472)	105%
Loss Before Tax	(3,211)	(1,645)	95%
Loss After Tax	(3,211)	(1,645)	95%
Loss Attributable to Ordinary Equity Holders of the Parent	(3,145)	(1,623)	94%

During the current quarter under review, the Group recorded a revenue of RM2.585 million i.e., an increase of RM1.155 million as compared to RM1.430 million reported in preceding quarter ended 30 September 2022.

The Group reported a loss before tax RM3.211million for the current quarter ended 31 December 2022 i.e., an increase of RM1.566 million as compared to RM1.645 million losses recorded in the preceding year corresponding quarter ended 30 September 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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 31 DECEMBER 2022

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):-

	Current quarter ended 31.12.2022 RM'000	Current financial period ended 31.12.2022 RM'000
Depreciation of property, plant and equipment	192	391
Depreciation of investment property	234	456
Depreciation of right of use	727	1,453
Finance income	(21)	(38)
Finance costs	208	398
	<u>208</u>	<u>398</u>

B6. Taxation

	Current quarter ended 31.12.2022 RM'000	Current financial period ended 31.12.2022 RM'000
Current tax expense	<u>-</u>	<u>-</u>

B7. Status of Corporate Proposal

There were no corporate proposal during the current quarter and financial period ended 31 December 2022.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 31 December 2022.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 31 DECEMBER 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 31 December 2022.

B10. Group Borrowings

The Group's borrowings as at 31 December 2022 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
As at 31 December 2022			
Secured term loans	3,394	-	3,394
Secured bank overdrafts	10,850	-	10,850
	<u>14,244</u>	<u>-</u>	<u>14,244</u>
As at 30 June 2022			
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 31 December 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 31 December 2022.

- (b) **Star Effort Sdn. Bhd. vs Ikhmas Jaya Group Berhad ("IJGB") Shah Alam - High Court**



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED
31 DECEMBER 2022**

Writ of summons (No: BA-22NCVC-133-05/2020)

The case management is scheduled on 26 May 2023.
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-22NCC-36-05/2020)

Further to the disclosures made in audited financial statement for the year ended 30 June 2022. The Courts on 24 March 2023 had allowed MRCB to call upon the Performance Bond amounting RM5,365,261.71.

(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 26 June 2023. 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



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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) Ilham Metro Construction Sdn. Bhd. (“IMCSB”) vs Top Builders Capital Berhad (“TBCB”) – Kuala Lumpur High Court (Winding Up Petition WA-28NCC-955-12/2022)

The liability has been accrued for in the financial statements. The next case management is scheduled on 18 July 2023.

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

(m) 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.

(n) 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.

(o) 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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B12. Material litigation - continue

(p) 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.

(q) RHB Bank Berhad vs Top Builders Capital Berhad (“TBC”) & Ikhmas Equipment Sdn. Bhd. (“IESB”) Kuala Lumpur High Court Winding Up Petition (No: WA-28NCC-941-11/2022)

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 11 July 2023.

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

(r) Ambank (M) Berhad vs Top Builders Capital Berhad (“TBC”) & Ikhmas Equipment Sdn. Bhd. (“IESB”) Kuala Lumpur High Court Winding Up Petition (No: WA-28NCC-859-10/2022)

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 14 July 2023.

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

B12. Material litigation - continue

(s) Ambank (M) Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”) Kuala Lumpur High Court Winding Up Petition (No: WA-28NCC-861-11/2022)

IJSB had been served with a Writ of Summons (“Writ”) and Statement of Claim (“SoC”) both



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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

The next case management is schedule on 14 July 2023.

(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) Pac Lease Berhad vs Ikhmas Jaya Sdn Bhd (“IJSB”) Kuala Lumpur High Court Winding Up Petition (No: 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.

The Next Case Management is scheduled on 13 July 2023.

(v) 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

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



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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.

The next case management was scheduled to be held on 15 July 2023.

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

(x) 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.

The courts had allowed the application on 24 February 2023.

(y) 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. The next case management is scheduled on 1 August 2023.

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

(z) Hormann Doors Malaysia Sdn Bhd vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Kuala Lumpur High Court (Winding Up Petition WA-28NCC-218-03/2023)

IJSB had been served with a Judgment on Default dated 29 October 2022 on 20 March 2023 for the failure to pay the amount of RM64,300.00.

The liability has been accrued in the financial statements. The next case management is scheduled on 18 October 2023.

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

Edwincom had withdraw this application with the liberty to file afresh on 7 March 2023

B12. Material litigation - continue

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



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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 Court struck out the Application and set aside the Order dated 12.09.2022.

(cc) Gruvete Asia Sdn Bhd vs Ikhmas Jaya Sdn Bhd (“IJSB”) – Shah Alam High Court (Winding Up Petition -BA-28NCC-89-02/2023)

IJSB had been served with a Judgment in Default for a sum of RM1,823,649.79 by the solicitors on 19 December 2022.

The next case management is scheduled on 7 August 2023.

(dd) 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.

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

(ee) 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.

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

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



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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 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:-

	Current quarter ended 30.09.2022	Current financial period ended 30.09.2022
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.

B17. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 27 June 2023.