

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the 4th Quarter Ended 30 June 2021**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2021	Preceding Year Corresponding Quarter 30/06/2020	Changes	Current Year To Date 30/06/2021	Preceding Year Corresponding Period 30/06/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue</b>	46,605	27,633	69	153,113	234,607	-35
Cost of Sales	(42,471)	(23,717)	79	(107,638)	(170,625)	-37
<b>Gross Profit</b>	4,134	3,916	6	45,475	63,982	-29
Other Income	6,162	303		9,872	1,055	
Interest Income	379	524		1,272	1,193	
Operating Expenses	(10,504)	(4,770)		(26,051)	(26,051)	
Finance Costs	(191)	10,076		(725)	(2,525)	
Share of results of associates	6,767	992		7,111	603	
<b>Profit/(Loss) Before Tax</b>	<b>6,747</b>	<b>11,041</b>	<b>-39</b>	<b>36,954</b>	<b>38,257</b>	<b>-3</b>
Tax Expenses	(1,748)	(1,959)		(8,858)	(2,096)	
<b>Profit/(Loss) for the period</b>	<b>4,999</b>	<b>9,082</b>	<b>-45</b>	<b>28,096</b>	<b>36,161</b>	<b>-22</b>
Profit/(Loss) attributable to :						
Owners of the Company	4,827	8,250	-41	23,965	32,441	-26
Non-controlling interest	172	832	-79	4,131	3,720	11
	<b>4,999</b>	<b>9,082</b>	<b>-45</b>	<b>28,096</b>	<b>36,161</b>	<b>-22</b>
Weighted average no. of shares ('000)	370,807	371,030		370,807	371,637	
<b>Earnings per share attributable to Owners of the Company ( sen )</b>						
- Basic	1.30	2.22		6.46	8.75	
- Diluted	1.30	2.22		6.46	8.75	

(The unaudited Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the 4th Quarter Ended 30 June 2021**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2021	Preceding Year Corresponding Quarter 30/06/2020	Changes	Current Year To Date 30/06/2021	Preceding Year Corresponding Period 30/06/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(Loss) for the period</b>	4,999	9,082	-45	28,096	36,161	-22
<b>Other comprehensive income/(loss) :</b>						
Net gain on other investment						
- Gain/(loss) on fair value changes	(4,997)	1,963		28,765	394	
Foreign currency translation						
- Gain/(loss) on currency translation	(15)	59		26	6	
<b>Total Comprehensive income/(loss)</b>	<b>(13)</b>	<b>11,104</b>	<b>-100</b>	<b>56,887</b>	<b>36,561</b>	<b>56</b>
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the Company	(178)	10,243	-102	52,743	32,837	61
Non-controlling interest	165	861	-81	4,144	3,724	11
	<b>(13)</b>	<b>11,104</b>	<b>-100</b>	<b>56,887</b>	<b>36,561</b>	<b>56</b>

(The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	(Unaudited)	(Audited)
	Financial Year Ended 30/06/2021	Financial Year Ended 30/06/2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	27,359	36,543
Right-of-use assets	6,938	5,396
Investment properties	44,129	44,129
Investment securities	22,930	10,601
Investment in associates	14,883	4,767
Intangible assets	215	216
Bearer plant	1,281	-
Other receivables & prepayments	12,573	13,543
Goodwill	7	7
	130,315	115,202
<b>Current assets</b>		
Inventories	115,962	113,896
Trade receivables	58,683	43,099
Other receivables	21,246	31,434
Contract Assets	15,119	26,823
Tax recoverable	7,043	7,838
Amount due from associates	31,763	30,791
Short-term investments	40,577	27,661
Fixed deposits with licensed banks	10,149	12,601
Cash and bank balances	69,050	36,044
	369,592	330,187
<b>TOTAL ASSETS</b>	<b>499,907</b>	<b>445,389</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	194,303	194,303
Treasury shares	(1,655)	(1,655)
Other reserves	1,110	1,110
Fair value reserves	14,084	(1,222)
Foreign currency translation reserves	(699)	(714)
Retained profits	148,896	117,960
Equity attributable to owners of the Company	356,039	309,782
Non-Controlling interests	12,623	17,290
<b>TOTAL EQUITY</b>	<b>368,662</b>	<b>327,072</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	8,263	7,774
Loans and borrowings	1,864	2,502
	10,127	10,276
<b>Current liabilities</b>		
Loans and borrowings	48,951	29,707
Trade payables	29,054	36,151
Other payables	37,980	24,686
Contract liabilities	5,128	17,496
Provision of taxation	5	1
	121,118	108,041
<b>TOTAL LIABILITIES</b>	<b>131,245</b>	<b>118,317</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>499,907</b>	<b>445,389</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.9602</b>	<b>0.8354</b>
<b>No. of Shares issued (net of treasury shares)</b>	<b>370,806,692</b>	<b>370,806,692</b>

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 3RD QUARTER ENDED 30 JUNE 2021**

	Financial Year Ended	Financial Year Ended
	30/06/2021	30/06/2020
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	36,954	38,257
Adjustment for :		
Amortisation of intangible assets	1	2
Depreciation on property, plant and equipment	12,065	12,198
Depreciation on right-of-use assets	2,267	1,784
(Gain) / Loss on disposal of property, plant and equipment	(209)	(14)
(Gain) / Loss on investment fund	(395)	(485)
Bad debts written off	1	-
Inventories written off	49	702
Impairment loss on property, plant and equipment	757	915
Impairment loss on receivables	345	216
Reversal of impairment loss on trade receivables	(1,050)	(84)
Interest income	(877)	(520)
Dividend income	(427)	(177)
Finance costs	726	2,525
Share of results of associates	(7,111)	(603)
Unrealise (gain) / loss on foreign exchange differences	(1,569)	(398)
Unrealise (gain) / loss on investment fund	8	(11)
Write off of property, plant and equipment	1,841	-
Fair value loss on quoted investment	792	-
<b>Operating profit before working capital changes</b>	<b>44,168</b>	<b>54,307</b>
Change in working capital		
(Increase)/Decrease in inventories	5,143	(5,014)
(Increase)/Decrease in receivables	(5,763)	35,785
Increase/(Decrease) in payables	(2,094)	16,527
Decrease/(Increase) in contract assets/liabilities	2,688	(17,627)
<b>Cash generated from / (used in) operations</b>	<b>44,142</b>	<b>83,978</b>
Taxes paid	(7,603)	(11,616)
Interest paid	(198)	(2,355)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>36,341</b>	<b>70,007</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions in investment properties	-	(48)
Interest received	770	1,023
Dividend received	427	-
Acquisition of treasury shares	-	(514)
Net cash outflow for acquisition of subsidiary	-	-
Additional net cash outflow for acquisition of associates	(3,005)	-
Proceeds from disposal of property, plant and equipment	209	14
Proceeds from disposal of other investment	15,645	-
Additional of right-of-use assets	(3,809)	(48)
Purchase of property, plant and equipment	(5,469)	(2,786)
Repayment/(Advance) to associates	(972)	900
<b>Net cash generated from / (used in) investing activities</b>	<b>3,796</b>	<b>(1,459)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(34)	(143)
Dividends paid on ordinary shares	(6,489)	(5,592)
Dividend paid by subsidiary to non controlling interest	(8,811)	(6,615)
Proceeds from exercise of warrants	-	28
Proceeds from hire purchase	2,994	112
Repayment of lease liabilities	(586)	(468)
Repayment of hire purchase	(2,401)	(1,388)
(Repayment)/Drawdown of loan and borrowings	18,600	(30,163)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,273</b>	<b>(44,229)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL</b>	<b>43,410</b>	<b>24,319</b>
Effect of exchange rate changes on cash and cash equivalents	60	6
<b>CASH AND BANK BALANCES AS AT 1 JULY</b>	<b>76,306</b>	<b>51,981</b>
<b>CASH AND BANK BALANCES AS AT 30 JUNE</b>	<b>119,776</b>	<b>76,306</b>
Less : Fixed deposit under lien	(10,149)	(12,601)
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<b>109,627</b>	<b>63,705</b>

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**FAJARBARU BUILDER GROUP BHD** (281645-U)

**Unaudited Consolidated Statement of Changes in Equity**  
**For the 4th Quarter Ended 30 June 2021**

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
<b>As at 1 July 2020</b>	194,303	(1,655)	1,110	-	-	(1,222)	(714)	117,960	309,782	17,290	327,072
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	28,766	15	23,965	52,746	4,144	56,890
<b>Transactions with owners</b>											
Dividends	-	-	-	-	-	-	-	(6,489)	(6,489)	(8,811)	(15,300)
Disposal of quoted investment						(13,460)	-	13,460	-	-	-
<b>As at 30 June 2021</b>	<b>194,303</b>	<b>(1,655)</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>14,084</b>	<b>(699)</b>	<b>148,896</b>	<b>356,039</b>	<b>12,623</b>	<b>368,662</b>
<b>As at 1 July 2019</b>	194,275	(1,141)	1,110	7,674	2,628	(1,616)	(716)	80,809	283,023	20,181	303,204
<b>Total comprehensive income for the year</b>	-	-	-	-	-	394	2	32,441	32,837	3,724	36,561
<b>Transactions with owners</b>											
Dividends	-	-	-	-	-	-	-	(5,592)	(5,592)	(6,615)	(12,207)
Share dividend	-	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased	-	(514)	-	-	-	-	-	-	(514)	-	(514)
Issue of ordinary shares:											
- pursuant to warrant exercised	28	-	-	-	-	-	-	-	28	-	28
Warrant expired	-	-	-	(7,674)	-	-	-	7,674	-	-	-
Share based payments:											
- ESOS lapsed	-	-	-	-	(2,628)	-	-	2,628	-	-	-
<b>As at 30 June 2020</b>	<b>194,303</b>	<b>(1,655)</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>(1,222)</b>	<b>(714)</b>	<b>117,960</b>	<b>309,782</b>	<b>17,290</b>	<b>327,072</b>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

## **Notes to the Interim Financial Report**

### **A1 Basis of preparation**

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. These explanatory notes attached to the interim financial report 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 2020.

### **A2 Changes of accounting policies**

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2020, except for the adoption of the following Amendments to MFRSs and IFRIC Agenda Decision that are effective for the Group from 1 July 2020:

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

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 16: COVID-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The initial application of the above new or revised standards is not expected to have any significant impact on the results and financial position of the Group and the Company.

#### **A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:**

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year ended 30 June 2021:-

**A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group (Cond't):**

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The Group will apply the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations that are applicable once they become effective. The adoption of the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group.

**A3 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group's annual financial statements for the year ended 30 June 2020 was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The operations of the Group are not subject to seasonality / cyclicity of operations.

**A5 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

**A6 Changes in estimates**

Not applicable.

**A7 Significant related party transactions**

There were no significant related party transactions during the financial period under review.

**A8 Movement in debt and equity securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

The details of shares held as treasury shares for the period ended 30 June 2021 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 March 2021	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 30 June 2021	3,075,764	1,654,910

The shares purchased are being held as treasury shares in accordance with Section 127 (16) of the Companies Act, 2016.

**A9 Dividend paid**

There were no dividend paid during the current quarter.

**A10 Carrying Amount of revalued property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2020.

**A11 Segmental reporting**

The segmental information of the Group analysed by activities is as follows:-

12 months ended 30.06.21	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
<b>Revenue</b>									
External Sales	84,958	22,669	38,737	418	1,167	460	-	4,703	153,113
Inter-segment sales	20,247	-	-	12,064	-	12,558	8	(44,876)	-
Total revenue	105,205	22,669	38,737	12,482	1,167	13,018	8	(40,173)	153,113
<b>Results</b>									
Profit/(Loss) from operation	14,036	27,284	8,008	(554)	(147)	9,850	(11)	(27,898)	30,568
Finance costs	(639)	(8)	(18)	(30)	(30)	-	-	-	(725)
Share of results in associates	-	213	6,898	-	-	-	-	-	7,111
Profit/(Loss) before tax	13,397	27,489	14,888	(584)	(177)	9,850	(11)	(27,898)	36,954
<b>Total assets</b>									
Segment assets/ Consolidated total assets	202,383	31,661	167,810	6,622	765	469,132	730	(379,196)	499,907

12 months ended 30.06.20	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
<b>Revenue</b>									
External Sales	146,323	30,224	46,668	11,820	1,173	210	-	(1,811)	234,607
Inter-segment sales	32,417	-	-	10,497	-	9,925	-	(52,839)	-
Total revenue	178,740	30,224	46,668	22,317	1,173	10,135	-	(54,650)	234,607
<b>Results</b>									
Profit/(Loss) from operation	30,893	21,649	2,280	(6)	(128)	6,812	-	(21,318)	40,182
Finance costs	(2,042)	(14)	(416)	(16)	(39)	-	-	-	(2,527)
Share of results in associates	-	603	-	-	-	-	-	-	603
Profit/(Loss) before tax	28,851	22,238	1,864	(22)	(167)	6,812	-	(21,318)	38,258
<b>Total assets</b>									
Segment assets/ Consolidated total assets	174,264	36,644	195,584	8,722	1,125	430,319	-	(396,986)	449,672

#### A12 **Events subsequent to the balance sheet date**

There were no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

#### A13 **Changes in composition of the Group**

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

#### A14 **Capital commitments**

The outstanding commitments in respect of capital expenditure at the quarter under review provided for in the financial statements are as follows :

<u>Property, Plant &amp; Equipment</u>	30 June 2021 RM'000
Approved and contracted for - Denominated in RM	<u>3,176</u>

#### A15 **Changes in contingent liabilities**

	The Group		The Company	
	As at 30.06.21 RM'000	As at 30.06.20 RM'000	As at 30.06.21 RM'000	As at 30.06.20 RM'000
Performance and tender bond granted to contract customers	47,052	54,963	-	-

## B Bursa Securities Listing Requirements (Part A of Appendix 9B)

### B1 Review of performance

	Individual Period (4th quarter)			Cumulative Period		
	Current Year Quarter 30/06/2021 (RM'000)	Preceding Year Corresponding Quarter 30/06/2020 (RM'000)	Changes (%)	Current Year To-date 30/06/2021 (RM'000)	Preceding Year Corresponding Period 30/06/2020 (RM'000)	Changes (%)
Revenue	46,605	27,633	69	153,113	234,607	(35)
Profit/(loss) from operation	171	(27)	746	30,568	40,179	(24)
Profit/(loss) before interest and tax	6,938	965	619	37,680	40,782	(8)
Profit/(loss) before tax	6,747	11,041	(39)	36,954	38,257	(3)
Profit/(loss) after tax	4,999	9,082	(45)	28,096	36,161	(22)
Profit/(loss) attributable to Owners of the Company	4,827	8,250	(41)	23,965	32,441	(26)

The Group recorded a higher revenue of RM46.61 million in the current quarter as compared to RM27.63 million in the preceding year corresponding quarter. The Group's profit before tax was RM6.75 million in the current quarter as compared to a profit before tax of RM11.04 million in the preceding year corresponding quarter. The higher revenue was contributed by the Property Development and Construction segments. The decrease in profit before tax was across all segments except for Construction segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 June 2021 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 30/06/2021 (RM'000)	Preceding Year Corresponding Quarter 30/06/2020 (RM'000)	Changes (RM'000)	Current Year Quarter 30/06/2021 (RM'000)	Preceding Year Corresponding Quarter 30/06/2020 (RM'000)	Changes (RM'000)
<b><u>Segment</u></b>						
Construction	28,855	18,212	10,643	2,904	(3,692)	6,596
Logging & timber trading	2,483	5,340	(2,857)	153	3,502	(3,349)
Property development	15,043	2,544	12,499	5,538	9,240	(3,702)
Trading	38	1,287	(1,249)	(97)	(2)	NM
Logistic	117	240	(123)	(146)	(43)	NM
Investment holding	69	10	59	(1,476)	2,036	(3,512)
Plantation	-	-	-	(129)	-	(129)
<b>Total</b>	<b>46,605</b>	<b>27,633</b>		<b>6,747</b>	<b>11,041</b>	

\* NM = Non-meaningful

### Construction Segment

For the current quarter, revenue increased to RM28.86 million as compared to RM18.21 million in the preceding year corresponding quarter. The segment recorded a profit before tax of RM2.90 million in the current quarter as compared to a loss before tax of RM3.69 million in the preceding year corresponding quarter.

The higher revenue for the current quarter was mainly due to the Duta Park project recorded higher work progress as compared to the same quarter last financial year when work was significantly hindered due to the Movement Control Order in 2020. Recognition of total revenue for the completion of KTMB's railtrack rehabilitation project (Jerantut-Gua Musang) also contributed to the increase in revenue. The profit before tax for the current quarter includes the other income received from insurance compensation.

### Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded revenue of RM2.48 million for the current quarter as compared to a revenue of RM5.34 million in the preceding year corresponding quarter. There was a profit before tax of RM0.15 million in the current quarter as compared to a profit before tax of RM3.50 million in the preceding year corresponding quarter.

The lower revenue and profit before tax in this segment were due to the lower production and sales volume of the current working block.

### Property Development Segment

In the current quarter, the Property Development segment recorded a revenue of RM15.04 million and profit before tax of RM5.54 million as compared to a revenue of RM2.54 million and profit before tax of RM9.24 million in the preceding year corresponding quarter.

Revenue increase in the current quarter was mainly due to the recognition of final stages of work done for Rica Residence @ Sentul. The property development has obtained Certificate of Completion and Compliance (CCC) and issued Vacant Possession (VP) to its purchasers in March 2021. In the current quarter under review, the profit before tax included profit sharing from our Australian property development, the Paragon. Nevertheless, the decrease in the profit before tax was due to the reversal of borrowing cost in the preceding year corresponding quarter which did not recur in current quarter.

### Trading and Logistic Segments

In the current quarter, the Trading segment registered a revenue of RM0.038 million as compared to RM1.287 million in the preceding year corresponding quarter. The segment recorded a loss before tax of RM0.097 million as compared to a loss before tax in the preceding year corresponding quarter of RM0.002 million. The lower revenue for the current quarter was due to lower procurement from the Construction segment. The higher loss before tax in the current quarter was mainly due to lower profit margin obtained from the trade of construction material and services.

The Logistic segment registered a revenue of RM0.12 million as compared to RM0.24 million in the preceding year corresponding quarter. It recorded a loss before tax of RM0.15 million in the current year as compared to a loss before tax of RM0.04 million in the preceding year corresponding quarter. The decrease in revenue and the higher loss before tax were in correspondence with the decrease in the Logging and Timber Trading segment as the Logistic segment provides services to this segment.

## **B2 Variation of result against preceding quarter**

	<b>Current Year Quarter 30/06/2021 (RM'000)</b>	<b>Immediate Preceding Quarter 31/03/2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	46,605	36,266	29
Profit/(loss) from operation	171	8,022	(98)
Profit/(loss) before interest and tax	6,938	8,005	(13)
Profit/(loss) before tax	6,747	7,746	(13)
Profit/(loss) after tax	4,999	7,000	(29)
Profit/(loss) attributable to Owners of the Company	4,827	6,931	(30)

In the current quarter for 30 June 2021, the Group registered a higher revenue of RM46.61 million as compared to revenue of RM36.27 million in the preceding quarter ended 31 March 2021. The Group recorded a lower profit before tax of RM6.75 million in the current quarter as compared to a profit before tax of RM7.75 million in the preceding quarter ended 31 March 2021.

The higher revenue in the current quarter was from the Construction segment and this was due to KTMB's railtrack rehabilitation project (Jerantut-Gua Musang) obtained its Certificate of Practical Completion (CPC) in April 2021, thus recognition of total revenue during the current quarter. The profit before tax was lower in the current quarter as compared to the previous quarter, as previous quarter's profit were mainly derived from the revenue of Property Development segment, which contributed higher margin.

## **B3 Current year prospects**

In Bank Negara's latest report indicated that for 2021, the Malaysian economy is projected to expand within the range of 3.0 – 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to speed up going into 2022, supported by normalisation of economic activities.

The implementation of Phase 2 of the National Recovery Plan (or Pelan Pemulihan Negara) which started in July for some states and September for Klang Valley, has allowed for more economic sectors to resume operations. Rapid vaccination rates with easing demands on healthcare capacity would lead to swift easing of containment measures and better economic outcomes. In the construction industry, the accelerated Covid-19 vaccines rollout may promise a return to normalcy as construction companies have faced disruption in their supply chains and restrictions in their operational sites during the extension of Full Movement Control Order (FMCO).

With the rollout of mega infrastructure projects such as the Mass Rapid Transit Line 3 (MRT3), Klang Valley Double-Tracking Phase 2, Johor Bahru-Singapore Rapid Transit System (RTS Link) and the Pan Borneo Highway targeted for Q4 2021, it will help jump-start the industry and the economy. The Group will continue to emphasise on our core competencies in the Construction segment and focus on our current order book of approximately RM340.5 million and as well as maintaining its effort to bid for future rail construction and infrastructure works.

The Malaysian property market activity saw value of transactions worth RM62.01 billion and a volume of 139,754 in the first half of 2021 as compared to the same period of 2020 with value of transactions worth RM46.94 billion and volume of 115,476 transactions - an increase of 32.1% in value and 21% in volume. According to NAPIC (National Property Information Centre) report, the improvement in sales performance was probably attributed to various measures by the government such as incentives of the Home Ownership Campaign (reintroduced from 1 June 2020 – 31 Dec 2021) and low Overnight Policy Rate (OPR). The Valuation & Property Services Department expects the property market to be on the recovery path in line with the gradual economic recovery supported by the implementation of various government initiatives and assistance.

The Group's maiden Property Development project in Malaysia, Rica Residence @ Sentul was handed over to purchasers in March 2021 and this is currently still on-going. The launch of our subsequent property development at Kinrara is planned for first half of 2022, subject to market conditions. The property development project will consist of affordable housing, in tandem with the government's drive for such projects. In Australia, the Group's second property development project in Melbourne, the Paragon is completed and currently in the process of being handed over to purchasers. The Group's latest offering, The Wilds consisting of a collection of 15 carbon-neutral detached houses, which was soft launched in May 2021, is the Group's latest property development located in Northcote, Melbourne.

In the timber industry, Malaysia's export of timber and timber products is expected to reach RM23 billion in 2021 due to the growth surge in demand from countries such as the US. The Group's Logging and Timber Trading segment will continue to contribute to the Group's revenue when permit of work for the new blocks is approved. The Group has approximately 16,000 acres left of working block yet to be logged and this will continue to contribute to the Group's earnings in the future.

For the durian industry, its long-term prospects remain positive as national durian production is expected to increase to 443.0 thousand metric tonnes by 2030. The durian industry in Malaysia shows a huge market potential due to its high demand for both raw and durian-based end products, not only in Asia but also among western countries. Despite the global pandemic, the market is fairly unaffected and is expected to grow alongside the trend.

In the Durian Plantation segment, the Group commenced planting activities of about 1,000 durian trees of Musang King and Black Thorn species within its agricultural land located in Mukim Si Rusa, Port Dickson and the planting initiatives were completed in 2020. The durian plantation will contribute to the future earnings of the Group in the long term as the gestation period from planting to durian fruiting/ harvesting typically span over five to seven years.

The Group will continue to bid for potential infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, we are in a good position to bid for such jobs. Domestically in the property segment, the Group is on the lookout to expand its property development footprints in the Klang Valley once the economy fully reopens. We will continue to explore more business opportunities and is committed to continue capitalising our strengths to generate sustainable revenue from its existing or new businesses. We envisage the Group to achieve satisfactory results for the year and will work towards the goal to enhance the performance and value of Fajarbaru.

**B4 Profit forecast**

Not applicable.

**B5 Profit guarantee**

Claim by the Company against Cashrep Holdings Sdn. Bhd. (“Cashrep”) and Cita Jati Sdn. Bhd. (“Cita Jati”) based on Profit Guarantee Agreement.

On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvency, Wilayah Persekutuan was appointed as liquidator for both companies.

**B6 Income tax**

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30/06/2021 RM'000	3 months ended 30/06/2020 RM'000	12 months ended 30/06/2021 RM'000	12 months ended 30/06/2020 RM'000
Current period's provision	878	898	8,409	4,458
Under / (Over) provision for the prior years	-	-	(421)	(3,423)
Deferred taxation	878	898	7,988	1,035
Under / (Over) provision for the prior years	870	1,061	870	1,061
	1,748	1,959	8,858	2,096

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

**B7 Purchase or disposal of quoted securities**

There were no disposal of quoted securities during current quarter.

Investment in quoted shares as at 30 June 2021 were as follows :

	<b>RM'000</b>
At cost	8,846
At market value	22,930

**B8 Status of corporate proposals announced**

There were no corporate proposal announced during the financial period to date.

**B9 Borrowings**

The tenure of the Group borrowings classified as follows:-

	<b>30 June 2021</b>		<b>30 June 2020</b>	
	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>
<b><u>Secured</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term loan	-	-	2,000	-
Lease liabilities	-	332	2,199	-
Hire purchase	2,843	1,532	-	2,502
Invoice Finance	1,108	-	5,508	-
Revolving Credit	45,000	-	20,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	48,951	1,864	29,707	2,502

**B10 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 30 June 2021.

**B11 Trade receivables**

The age analysis of trade receivables is as follow :

	<b>Current Quarter Ended 30/06/2021 RM'000</b>
Not past due	41,724
Past due:	
- less than 3 months	4,153
- 3 to 6 months	1,970
- over 6 months	224
- more than 1 year	10,611
	<hr/> <b>58,683</b> <hr/>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

**B12 Material litigation**

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 30 June 2021 except as disclosed in the following:-

**a) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Tan Wee Meng (“Respondent”)**

The Claimant issued a Notice of Arbitration dated 1 November 2019 against the Respondent for a sum of RM10,000,000.00 (“**the Claim**”) pursuant to a Director's Guarantee dated 8 August 2017 given by the Respondent in favour of the Claimant, whereby the Respondent irrevocably and unconditionally undertook to immediately pay on demand to the Claimant any amount due and owing by TYL Land & Development Sdn Bhd (“**TYL Land**”), up to the maximum guarantee amount of RM10,000,000.00, in respect of the whole of the obligations of TYL Land in relation to the Podium Block works of L'Marq Semenyih Project carried out by the Claimant.

Pursuant to the Final Award in the matter of an Arbitration dated 30 December 2020, the Arbitrator has awarded and declared that:-

1. the Respondent shall pay to the Claimant within 14 days from 23 February 2021:-
  - a. the sum of RM10,000,000.00; and
  - b. the amount awarded in item 1(a) above or in the event of part payment by the due date, the outstanding balance thereof shall be subject to the addition of simple interest at 5% per annum from the date of this award to the date of payment; and

2. the Respondent shall pay and/or reimburse all the legal costs and expenses, the Arbitrator's fees and the Asian International Arbitration Centre (AIAC) booking fees to the Claimant.

As the Final Award is in favour of the Claimant, our Board is of the view that the outcome is in favour of the Claimant and that there is no exposure of liability to the Claimant save for the legal costs and expenses incurred by the Claimant in the arbitration proceedings.

On 23 April 2021, the Claimant had successfully enforced the Arbitration Award against the Respondent pursuant to Section 38 of the Arbitration Act 2005, by way of an ex-parte Originating Summons ("**Enforcement Order**").

On 21.5.2021, the Respondent applied to set aside the Final Award. On 31.5.2021, the Respondent applied to set aside the Enforcement Order. The Claimant is opposing both setting aside applications. The hearing of the setting aside applications is currently fixed for 28.10.2021.

**b) Fajarbaru Builder Sdn. Bhd. ("Claimant") vs Shaw Plaza Sdn. Bhd. ("Respondent")**

On 12 March 2019, the Claimant issued a Notice of Arbitration on the Respondent. On 19 April 2019, the Claimant and the Respondent agreed to refer their disputes and differences to Arbitration.

The disputes and differences between the parties arose from the Mutual Termination Agreement dated 25 May 2015 ("**MTA**") relating to the Shaw Parade Project.

Based on the latest report submitted by John Wong who is the quantum expert appointed by the Claimant, he has assessed the value of the final account to be in the sum of RM 36,730,059.96. Upon taking account the payment received by Claimant, there is a sum of RM 9,228,184.63 due and owing to the Claimant.

The Claimant also has a prolongation claim against the Respondent in the sum of RM 7,740,464.94.

The Respondent's counter-claim against the Claimant is the sum of RM9,179,842.03.

Our Board is of the view that the Claimant has a reasonable chance of success against the Respondent.

The maximum exposure of liability to the Claimant is RM9,179,842.03 plus the legal costs and expenses incurred by both parties i.e the Claimant and the Respondent in the arbitration proceedings in the event that the Claimant's claims are dismissed in totality and the Respondent's counter-claims are allowed.

The arbitration's Hearing dates are scheduled to commence from 11-28 July 2022 and 11-31 August 2022.

**B13 Dividend**

No dividend were declared for the forth quarter ended 30 June 2021.

**B14 Earnings per share**

The **basic earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issued at the end of the period.

The **diluted earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company for the current individual quarter and the current cumulative quarter by the adjusted weighted average number of ordinary shares in issue during the current individual quarter and the current cumulative quarter plus the weighted average number of ordinary shares which deemed to be issued on conversion of warrants and ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 30/06/2021 RM'000	3 months Ended 30/06/2020 RM' 000	12 months Ended 30/06/2021 RM000	12 months Ended 30/06/2020 RM'000
Net profit attributable to Owners of the Company	4,827	8,250	23,965	32,441
Weighted Average Number of shares at the end of the period ('000)	370,807	371,030	370,807	371,637
<b>Basic earnings per share (sen)</b>	1.30	2.22	6.46	8.75

Diluted earnings per ordinary share is not applicable as the Company does not have any convertible instruments.

**B15 Profit before taxation**

	Current Year Quarter 30/06/2021 RM'000 Unaudited	Current Year To-date 30/06/2021 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	15	(878)
Depreciation	5,204	14,332
Interest expense	224	726
Write off of property, plant and equipment	1,831	1,841
Impairment of trade receivables	345	345
Provision for impairment of property, plant & equipment	757	757
(Gain)/Loss on disposal of property, plant & equipment	(152)	(209)
Unrealised (gain)/loss on foreign exchange	426	(1,569)
Unrealised (gain)/loss on investment fund	7	8

**B16 Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 28 September 2021.

By Order of the Board  
**Fajarbaru Builder Group Bhd (281645-U)**

Tan Sri Chan Kong Choy  
Chairman

Kuala Lumpur  
28 September 2021