



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2023**



**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2023**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2023	Preceding Year Corresponding Quarter 30/09/2022	Changes	Current Year To Date 30/09/2023	Preceding Year Corresponding Period 30/09/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	72,977	35,087	108	72,977	35,087	108
Cost of Sales	(61,984)	(27,244)	128	(61,984)	(27,244)	128
Gross Profit	10,993	7,843	40	10,993	7,843	40
Other Income	1,283	742		1,283	742	
Interest Income	443	155		443	155	
Operating Expenses	(9,073)	(7,034)		(9,073)	(7,034)	
Finance Costs	(790)	(494)		(790)	(494)	
Share of results of associates	535	3,564		535	3,564	
Profit/(Loss) Before Tax	3,391	4,776	-29	3,391	4,776	-29
Tax Expenses	(434)	(148)		(434)	(148)	
Profit/(Loss) for the period	2,957	4,628	-36	2,957	4,628	-36
Profit/(Loss) attributable to :						
Owners of the Company	2,801	4,800	-42	2,801	4,800	-42
Non-controlling interest	156	(172)	190	156	(172)	190
	2,957	4,628	-36	2,957	4,628	-36
Weighted average no. of shares ('000)	741,613	741,613		741,613	741,613	
Earnings per share attributable to Owners of the Company (sen)						
- Basic	0.38	0.65		0.38	0.65	
- Diluted	0.25	0.43		0.25	0.43	

(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 2023 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2023**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2023	Preceding Year Corresponding Quarter 30/09/2022	Changes	Current Year To Date 30/09/2023	Preceding Year Corresponding Period 30/09/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	2,957	4,628	-36	2,957	4,628	-36
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	(589)	(589)		(589)	(589)	
Foreign currency translation						
- Gain/(loss) on currency translation	1	-		1	-	
Share of expenses of equity accounted associates	(16)	(21)		(16)	(21)	
Total Comprehensive income/(loss)	2,353	4,018	-41	2,353	4,018	-41
Total comprehensive income/(loss) attributable to :						
Owners of the Company	2,197	4,190	-48	2,197	4,190	-48
Non-controlling interest	156	(172)	191	156	(172)	191
	2,353	4,018	-41	2,353	4,018	-41

(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 2023 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	(Unaudited)	(Audited)
	As At End of Current Quarter 30/09/2023	Financial Year Ended 30/06/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	28,877	28,902
Right-of-use assets	1,918	1,311
Investment properties	44,979	44,798
Investment securities	9,431	10,020
Investment in associates	31,128	32,609
Intangible assets	367	369
Bearer plant	4,857	4,078
Inventories	13,711	13,711
Other receivables & prepayments	46,501	46,464
Goodwill	7	7
	181,776	182,269
Current assets		
Inventories	82,399	82,642
Trade receivables	29,925	54,072
Other receivables	18,129	20,446
Contract Assets	41,039	47,307
Tax recoverable	9,779	10,229
Amount due from associates	30,601	31,294
Short-term investments	58,694	57,147
Fixed deposits with licensed banks	18,779	17,879
Cash and bank balances	78,478	77,557
	367,823	398,573
TOTAL ASSETS	549,599	580,842
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	221,534	221,534
Treasury shares	(1,655)	(1,655)
Warrant reserves	9,535	9,535
Other reserves	1,110	1,110
Fair value reserves	3,520	4,109
Foreign currency translation reserves	(561)	(546)
Retained profits	136,698	133,897
Equity attributable to owners of the Company	370,181	367,984
Non-Controlling interests	15,376	15,220
TOTAL EQUITY	385,557	383,204
Non-current liabilities		
Deferred tax liabilities	7,573	7,573
Loans and borrowings	15,394	14,621
	22,967	22,194
Current liabilities		
Loans and borrowings	48,908	65,451
Trade payables	56,760	52,030
Other payables	14,568	15,374
Contract liabilities	16,085	39,944
Amount owing to associates	33	80
Amount owing to related parties	1,784	63
Provision of taxation	2,936	2,502
	141,074	175,444
TOTAL LIABILITIES	164,041	197,638
TOTAL EQUITY AND LIABILITIES	549,598	580,842
Net assets per share attributable to owners of the Company (RM)	0.4992	0.4962
No. of Shares issued (net of treasury shares)	741,613,384	741,613,384

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2023**

	End of Current Quarter 30/09/2023	End of Preceding Corresponding Quarter 30/09/2022
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before taxation	3,391	4,776
Adjustment for :		
Amortisation of intangible assets	2	25
Depreciation on property, plant and equipment	1,148	1,599
Depreciation on right-of-use assets	286	146
(Gain) / Loss on disposal of property, plant and equipment	(365)	(1)
(Gain) / Loss on derecognised of right-of-use assets	(4)	-
Interest income	(443)	(156)
Dividend income	(5)	(212)
Finance costs	790	494
Share of results of associates	(535)	(1,964)
Unrealise (gain) / loss on foreign exchange differences	247	220
Write off of property, plant and equipment	7	-
Operating profit before working capital changes	4,519	4,927
Change in working capital		
(Increase)/Decrease in inventories	(669)	(5,004)
(Increase)/Decrease in receivables	36,375	39,663
Increase/(Decrease) in payables	3,897	14,296
Decrease/(Increase) in contract assets/liabilities	(27,510)	(11,952)
Cash generated from / (used in) operations	16,612	41,930
Taxes credit / (paid)	450	(1,724)
Interest paid	(780)	(483)
Interest received	16	50
Net cash flow (used in)/ generated from operating activities	16,298	39,773
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	427	106
Dividend received	5	212
Dividend received from associates	2,000	-
Proceeds from disposal of property, plant and equipment	368	1
Additional of right-of-use assets	(1,022)	-
Purchase of property, plant and equipment	(970)	(1,637)
Repayment/(Advance) from related parties	1,665	1,125
Repayment/(Advance) from associates	454	-
Net cash generated from / (used in) investing activities	2,927	(193)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Finance cost paid	(11)	(11)
Repayment of lease liabilities	2,754	(821)
Repayment of hire purchase	(1,020)	130
(Repayment)/Drawdown of loan and borrowings	(17,581)	2,882
Net cash generated from / (used in) financing activities	(15,858)	2,180
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,367	41,760
Effect of exchange rate changes on cash and cash equivalents	1	-
CASH AND BANK BALANCES AS AT 1 JULY	152,583	150,856
CASH AND BANK BALANCES AS AT 30 SEPTEMBER	155,951	192,616
Less :Fixed deposit under lien	(18,779)	(6,870)
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	137,172	185,746

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements)



FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2023**

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant 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)
As at 1 July 2023	221,534	(1,655)	1,110	9,535	4,109	(546)	133,897	367,984	15,220	383,204
Total comprehensive income/(loss) for the year	-	-	-	-	(589)	(15)	2,801	2,197	156	2,353
As at 30 September 2023	221,534	(1,655)	1,110	9,535	3,520	(561)	136,698	370,181	15,376	385,557
As at 1 July 2022	209,768	(1,655)	1,110	21,302	4,698	(953)	155,760	390,030	12,322	402,352
Total comprehensive income/(loss) for the year	-	-	-	-	(589)	(21)	4,800	4,190	(172)	4,018
As at 30 September 2022	209,768	(1,655)	1,110	21,302	4,109	(974)	160,560	394,220	12,150	406,370

(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 2023 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 2023. 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 2023.

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 2023, except for the adoption of the following Amendments to MFRSs and IFRIC Agenda Decision that are effective for the Group from 1 July 2023:

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standard and interpretations (including the consequential amendments) have no material impact on the Group’s financial statements.

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 2023:-



MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
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 16: Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendment to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform –Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3 Audit Report of Preceding Annual Financial Statements

The audit report of the Group’s annual financial statements for the year ended 30 June 2023 was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group’s business operations were not affected by any significant seasonal or cyclical factors during the current quarter under review.

A5 Unusual items

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



A6 Changes in estimates

There were no material changes in estimates that have had any material effect on the results for the current quarter under review.

A7 Significant related party transactions

There were no significant related party transactions during the current quarter 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 current quarter under review.

The details of shares held as treasury shares for the financial period ended 30 June 2023 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 June 2023	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 30 September 2023	3,075,764	1,654,910

The shares purchased are being held as treasury shares in accordance with Section 127 (6) 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 financial year ended 30 June 2023.

A11 Segmental reporting

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

3 months ended 30.09.23	← 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			Other RM'000
Revenue										
External Sales	26,096	4,069	36,702	2,561	379	10	-	-	3,160	72,977
Inter-segment sales	19,757	-	-	6,931	-	3,149	-	-	(29,837)	-
Total revenue	45,853	4,069	36,702	9,492	379	3,159	-	-	(26,677)	72,977
Results										
Profit/(Loss) from operation	(6,399)	1,051	8,972	157	(20)	1,446	(88)	(4)	(1,469)	3,646
Finance costs	(565)	(207)	(391)	(34)	(5)	(2)	(38)	(5)	457	(790)
Share of results in associates	-	713	(178)	-	-	-	-	-	-	535
Profit/(Loss) before tax	(6,964)	1,557	8,403	123	(25)	1,444	(126)	(9)	(1,012)	3,391
Total assets										
Segment assets/ Consolidated total assets	152,655	27,231	197,268	12,386	448	136,927	1,241	10	21,433	549,599



A11 Segmental reporting (Cont'd)

3 months ended 30.09.22	Before Group's Eliminations								Adjustment and Eliminations	Total
	Construction	Logging and timber trading	Property development	Trading	Logistic	Investment holding	Plantation	Other		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External Sales	28,076	2,354	3,526	373	269	225	-	-	264	35,087
Inter-segment sales	2,019	-	-	3,437	-	943	-	-	(6,399)	-
Total revenue	30,095	2,354	3,526	3,810	269	1,168	-	-	(6,135)	35,087
Results										
Profit/(Loss) from operation	3,051	(1)	(1,056)	(92)	(61)	157	(116)	-	(176)	1,706
Finance costs	(456)	-	(160)	(27)	(6)	(176)	(20)	-	351	(494)
Share of results in associates	-	1,585	1,979	-	-	-	-	-	-	3,564
Profit/(Loss) before tax	2,595	1,584	763	(119)	(67)	(19)	(136)	-	175	4,776
Total assets										
Segment assets/										
Consolidated total assets	229,203	36,722	201,694	9,337	509	513,352	3,073	-	(412,061)	581,829

A12 Events subsequent to the balance sheet date

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

A13 Changes in composition of the Group

There were no material changes in the composition of the Group for the current quarter under review except as follows:-

- a) On 5 July 2023, the Company's wholly owned subsidiary company, Fajarbaru Land (M) Sdn Bhd, incorporated a subsidiary company, Fajarbaru Dynamic Development Sdn. Bhd. The shares capital and the number of issued shares of Fajarbaru Dynamic Development Sdn. Bhd. is RM100.00 comprising 100 ordinary shares.

The shareholders of Fajarbaru Dynamic Development Sdn Bhd are as follows:-

Shareholders	No. of Share	Percentage (%)
Fajarbaru Land (M) Sdn Bhd	60	60
Care Dynamic Sdn Bhd	40	40
Total:	100	100

The intended principal activity of Fajarbaru Dynamic Development Sdn. Bhd. is property development.

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:

Property, Plant & Equipment

30 September 2023
RM'000

Approved and contracted for
- Denominated in RM

340



A15 Changes in contingent liabilities

	The Group		The Company	
	As at 30.09.23	As at 30.06.23	As at 30.09.23	As at 30.06.23
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	34,019	24,314	-	-



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

B1 Review of performance

	Individual Period (1st quarter)			Cumulative Period		
	Current Year Quarter 30/09/2023 (RM'000)	Preceding Year Corresponding Quarter 30/09/2022 (RM'000)	Changes (%)	Current Year To-date 30/09/2023 (RM'000)	Preceding Year Corresponding Period 30/09/2022 (RM'000)	Changes (%)
Revenue	72,977	35,087	108	72,977	35,087	108
Profit/(loss) from operation	3,646	1,706	114	3,646	1,706	114
Profit/(loss) before interest and tax	4,182	5,269	(21)	4,182	5,269	(21)
Profit/(loss) before tax	3,391	4,776	(29)	3,391	4,776	(29)
Profit/(loss) after tax	2,957	4,628	(36)	2,957	4,628	(36)
Profit/(loss) attributable to Owners of the Company	2,801	4,800	(42)	2,801	4,800	(42)

The Group recorded revenue of RM72.98 million and profit before tax of RM3.39 million in the current quarter, compared to revenue of RM35.09 million and profit before tax of RM4.78 million in the preceding year corresponding quarter. The higher revenue was mainly contributed from the Property Development segment, whereas, the lower profit before tax was mainly attributed by the Construction segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 September 2023 are as follows:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 30/09/2023 (RM'000)	Preceding Year Corresponding Quarter 30/09/2022 (RM'000)	Changes (RM'000)	Current Year Quarter 30/09/2023 (RM'000)	Preceding Year Corresponding Quarter 30/09/2022 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	26,096	28,076	(1,980)	(9,123)	1,876	(10,999)
Logging & timber trading	4,069	2,354	1,715	1,840	1,648	192
Property development	39,862	3,790	36,072	12,286	2,114	10,172
Trading	2,561	373	2,188	48	(38)	86
Logistic	379	269	110	(49)	(152)	* NM
Investment holding	10	225	(215)	(1,520)	(556)	* NM
Plantation	-	-	-	(89)	(116)	* NM
Other	-	-	-	(2)	-	* NM
Total	72,977	35,087		3,391	4,776	

* NM = Non-meaningful

Construction Segment

Construction segment reported revenue of RM26.10 million and loss before tax of RM9.12 million in the current quarter, compared to revenue of RM28.08 million and profit before tax of RM1.88 million in the preceding year corresponding quarter.



Lower revenue registered in the current quarter was mainly due to lower progressive claims for an existing project which is at its completion stage of construction. In addition to that, the newly awarded projects are still in its infancy stage to contribute much revenue. The loss before tax in the current quarter primarily arises from the reassessment of the cost of the said construction project, where exceptional increase in building material cost, labour cost and overall higher operating costs due to the pandemic. In comparison, the profit before tax in the preceding year corresponding quarter primarily arises from a reversal of Provision of Liquidated Ascertained Damages for a completed project as a result of settlement of dispute.

Logging and Timber Trading Segment

Logging and Timber Trading segment reported revenue of RM4.07 million and profit before tax of RM1.84 million in the current quarter, compared to revenue of RM2.35 million and profit before tax of RM1.65 million in the preceding year corresponding quarter.

The segment registered higher revenue and profit before tax in the current quarter and this was mainly due to the commencement of logging activities of a newly approved block from the immediate preceding quarter. In comparison, the logging activities of an older block were at its completion stage in the preceding year corresponding quarter and this led to lower volume of production and sales.

Property Development Segment

Property Development segment reported revenue of RM39.86 million and profit before tax of RM12.29 million in the current quarter, compared to revenue of RM3.79 million and profit before tax of RM2.11 million in the preceding year corresponding quarter.

The surge in revenue and profit before tax in the current quarter were mainly contributed from Vierra Residence @ Kinrara development project where it shows incremental growth in the development work progress as compared to preceding year corresponding quarter.

Trading Segment

Trading segment reported revenue of RM2.56 million and profit before tax of RM0.05 million in the current quarter, compared to revenue of RM0.37 million and loss before tax of RM0.04 million in the preceding year corresponding quarter.

The segment registered higher revenue and profit before tax in the current quarter predominantly due to higher purchase of construction material from external contractors for projects apart from the Group's on-going projects in the Construction segment.



Logistic Segment

Logistic segment reported revenue of RM0.38 million and loss before tax of RM0.05 million in the current quarter, compared to revenue of RM0.27 million and loss before tax of RM0.15 million in the preceding year corresponding quarter.

Higher revenue and lower loss before tax in the current quarter were primarily due to higher revenue contribution from other customers apart from existing customers in the Logging & Timber Trading segment.

B2 Variation of result against preceding quarter

	Current Year Quarter 30/09/2023 (RM'000)	Immediate Preceding Quarter 30/06/2023 (RM'000)	Changes (%)
Revenue	72,977	72,835	0.19
Profit/(loss) from operation	3,646	(22,499)	116
Profit/(loss) before interest and tax	4,182	(18,061)	123
Profit/(loss) before tax	3,391	(19,011)	118
Profit/(loss) after tax	2,957	(20,231)	115
Profit/(loss) attributable to Owners of the Company	2,801	(19,375)	114

In the current quarter ended 30 September 2023, the Group posted revenue of RM72.98 million and profit before tax of RM3.39 million, which is an increase of 0.2% and 118% respectively from the immediate preceding quarter ended 30 June 2023.

The increase in revenue for the current quarter was mainly due to higher activities in the Property Development and Logging and Timber Trading segments. The profit before tax for the current quarter has improved, which was contributed from the Property Development segment, as a result of higher development work progress from Vierra Residence @Kinrara development project. In comparison, the loss before tax for the immediate preceding quarter predominantly arises from a one-off impairment loss on long outstanding contract asset for a completed project in the Construction segment.

B3 Current year prospects

In the third quarter of 2023, the Malaysian economy demonstrated a growth of 3.3%, surpassing the 2.9% recorded in the second quarter of the same year, as indicated in the recent Bank Negara Malaysia Quarterly Bulletin. This expansion was primarily driven by resilient domestic demand, with household spending buoyed by sustained growth in employment and wages. Despite the global challenges, projections suggest that the Malaysian economy is expected to grow by approximately 4% in 2023 and between 4% and 5% in 2024. The continued expansion of domestic demand will remain a key factor contributing to this growth.

The construction sector work done value soared by 9.6% to record RM33.4 billion in the third quarter of 2023 (2Q 2023: 8.1%, RM32.4 billion) in the latest report by Department of Statistics Malaysia. Out of the total value recorded in the third quarter of 2023, civil engineering accounted for RM13.5 billion, constituting 40.5% of the construction work done value. This upswing can be primarily attributed to the construction of roads and railways, which amounted to RM7.4 billion.



The Group's Construction segment is committed to ensuring the efficient and timely completion of its ongoing projects. The Construction segment has invested significant efforts in engaging in tender processes for new projects across various segments, aiming to expand the range of projects in its order book. These projects encompass high-rise residential buildings, affordable apartments, retail complexes, service apartments, and the redevelopment of military facilities. These projects are expected to have a positive impact on the Group's future earnings and net assets per share, commencing from the financial year July 1, 2023 and beyond. As of now, the Group's order book totals approximately RM871 million, with RM210 million attributed to internal development projects. The Group is actively engaged in pursuing new construction projects through tendering processes in both the private and government sectors, with a combined value of RM6.1 billion.

The Property Development segment focus remains directed towards the strategic progression of its property developments within Malaysia. The growth strategy of the Property Development segment emphasises the enhancement of its brand equity as a property developer, boosting sales figures, advancing its digital capabilities to elevate customer service and optimising operational efficiency.

The Group's property development Vierra Residence @Kinrara, has already been fully sold in the second half of 2023 and currently under construction. Presently, the Group is making progress on its latest development project, Desa Green, located in Kuala Krai, Kelantan. The initial phase of this freehold development, named Residensi Intan @ Desa Green, comprises of single-story terrace houses and single-story semi-detached homes and is estimated to have a gross development value ("GDV") of RM69.8 million.

In August 2023, the Group entered into a joint venture with hostel management company Care Dynamic Sdn Bhd for a Centralised Labour Quarters ("CLQ") project in Senawang, Negeri Sembilan and is estimated to have a GDV of RM172.4 million. This development project involves the construction of 672 CLQ units on a 10.9-acre plot of land in Sungai Gadut, Seremban. The CLQ initiative aligns with the national agenda to implement the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446).

In Australia, the Group's property development, The Wilds, located in Northcote, Melbourne, is positioned to establish a benchmark in Environmentally Sustainable Design principles and is estimated to have a GDV of AUD42.03 million. This development aims to be the first carbon-neutral detached housing project in inner Melbourne, where all residences will be powered exclusively by electricity and equipped with solar panel arrays. Furthermore, the Group has broadened its property development portfolio by initiating a new project in Fitzroy, Melbourne, presently undergoing approval procedures with relevant authorities and slated for launch in 2024.

In the Logging and Timber Trading segment of the Group, we have approximately 21,397 acres of working block through our subsidiaries and associate company and will continue to contribute to the Group's earnings in the future.



The Group has diversified its business into the Plantation segment, and anticipating favorable returns in the long run. In Jerantut, Pahang, the Group's plantation is involved in reforestation, cultivation of fruit crops, and the planting of eucalyptus trees across an expansive land area of approximately 600 acres. Currently, an ecofarm located in Port Dickson, Negeri Sembilan, is under construction and is expected to be operational and open to the public by the second quarter of 2024. The initial launch of the ecofarm will also feature an animal farm. The ecofarm has cultivated fruit crops, including durian, banana, pineapple, dragon fruit and more, all of which are presently being harvested. The Group remains dedicated to exploring potential opportunities, identifying suitable businesses, and contemplating strategic acquisitions within the plantation sector to further enhance its presence in this domain.

Moving forward, the Group will continue to concentrate on Construction, Property Development, Logging and Timber Trading, and the Plantation segments to ensure a sustainable revenue flow. The Group is also adopting a cautious and vigilant approach to address external challenges, such as the potential effects of international conflicts, increasing raw material costs, a slower economic pace, and anticipated uncertainties in the upcoming year. Nonetheless, we have confidence that our diverse segmental are adequately prepared to seize new opportunities within our core business areas.

Barring any unforeseen circumstances, the Group anticipates achieving a favorable performance for the financial year ending on 30 June 2024.

B4 **Profit forecast**

Not applicable as there was no profit forecast issued.

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 Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.



B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30/09/2023 RM'000	3 months ended 30/09/2022 RM'000	3 months ended 30/09/2023 RM'000	3 months ended 30/09/2022 RM'000
	Current period's provision	434	148	434
Under / (Over) provision for the prior years	-	-	-	-
	434	148	434	148
Tax paid for the prior years	-	-	-	-
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	434	148	434	148

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 purchase or disposal of quoted securities in Malaysia during current quarter under review.

Investment in quoted shares as at 30 September 2023 were as follows :

	RM'000
At cost	5,912
At market value - Shares	9,431

B8 Status of corporate proposals announced

There were no corporate proposal announced but not completed as at the current quarter under review.

B9 Borrowings

The tenure of the Group borrowings classified as follows:-

	30 September 2023		30 September 2022	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
Secured				
Term loan	663	12,300	2,514	664
Lease liabilities	341	1,643	2,438	1,730
Hire purchase	1,128	1,451	-	-
Invoice Finance	1,884	-	3,001	-
Revolving Credit	30,000	-	43,968	-
Bills Discounting	6,811	-	-	-
Promissory Note	8,081	-	22,274	-
	48,908	15,394	74,195	2,394



B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2023.

B11 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 30/09/2023 RM'000
Not past due	53,562
Past due:	
- less than 3 months	832
- 3 to 6 months	11
- over 6 months	575
- more than 1 year	3,826
	<u>58,806</u>

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 the reporting date 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, 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, among others, that the Respondent shall pay to the Claimant within 14 days from 23 February 2021 the sum of RM10,000,000.00.

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**").



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On 28 October 2021, the Respondent's setting aside applications were dismissed. No appeal has been filed by the Respondent.

On 31 October 2022, the Claimant engaged solicitors in Singapore to enforce the Final Award against the Respondent in Singapore. The order was served on the Respondent on 10 November 2022.

On 30 June 2023, the Respondent was declared a bankrupt by the High Court of Singapore because of his failure to honour the debt due to the Claimant under the Final Award.

B13 Dividend

An interim single-tier dividend of 0.5 sen per ordinary share be declared in respect of the financial year ending 30 June 2024.

The interim dividend will be paid on 29 December 2023 to the shareholders whose name appear in the Record of Depositors of the Company on 18 December 2023.

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 30/09/2023 RM'000	3 months Ended 30/09/2022 RM' 000	3 months Ended 30/09/2023 RM000	3 months Ended 30/09/2022 RM'000
Net (loss)/profit attributable to Owners of the Company	2,801	4,800	2,801	4,800
Weighted Average Number of shares at the end of the period ('000)	741,613	741,613	741,613	741,613
Adjusted number of ordinary shares in issue and issuable ('000)	1,112,420	1,112,420	1,112,420	1,112,420
Basic earnings per share (sen)	0.38	0.65	0.38	0.65
Diluted earnings per share (sen)	0.25	0.43	0.25	0.43



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B15 Profit before taxation

	Current Year Quarter 30/09/2023 RM'000 Unaudited	Current Year To-date 30/09/2023 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(443)	(443)
Dividend income	(5)	(5)
Depreciation	1,434	1,434
Interest expense	780	780
(Gain)/Loss on disposal of property, plant & equipment	(365)	(365)
Unrealised (gain)/loss on foreign exchange	247	247
Unrealised (gain)/loss on investment fund	(374)	(374)

B16 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 27 November 2023.

By Order of the Board
Fajarbaru Builder Group Bhd

Tan Sri Dato' Sri Chan Kong Choy
Executive Chairman

Kuala Lumpur
27 November 2023

