



FAJARBARU

BUILDER GROUP BHD

199301026907 (281645-U)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE 2ND QUARTER ENDED 31 DECEMBER 2023**



FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31 DECEMBER 2023

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2023	Preceding Year Corresponding Quarter 31/12/2022	Changes	Current Year To Date 31/12/2023	Preceding Year Corresponding Period 31/12/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	126,793	67,874	87	199,770	104,561	91
Cost of Sales	(95,622)	(60,770)	57	(157,606)	(88,014)	79
Gross Profit	31,171	7,104	339	42,164	16,547	155
Other Income	2,515	955		3,798	1,697	
Interest Income	424	184		867	339	
Operating Expenses	(9,037)	(7,504)		(18,110)	(14,538)	
Finance Costs	(604)	(285)		(1,394)	(779)	
Share of results of associates	(60)	(237)		475	1,727	
Profit/(Loss) Before Tax	24,409	217	11,148	27,800	4,993	457
Tax Expenses	(3,526)	(2,631)		(3,960)	(2,780)	
Profit/(Loss) for the period	20,883	(2,414)	965	23,840	2,213	977
Profit/(Loss) attributable to :						
Owners of the Company	19,193	(1,782)	1,177	21,994	3,017	629
Non-controlling interest	1,690	(632)	367	1,846	(804)	330
	20,883	(2,414)	965	23,840	2,213	977
Weighted average no. of shares ('000)	741,613	741,613		741,613	741,613	
Earnings/(Loss) per share attributable to Owners of the Company (sen)						
- Basic	2.59	(0.24)		2.97	0.41	
- Diluted	1.73	(0.16)		1.98	0.27	

(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)

FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31 DECEMBER 2023

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2023	Preceding Year Corresponding Quarter 31/12/2022	Changes	Current Year To Date 31/12/2023	Preceding Year Corresponding Period 31/12/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	20,883	(2,414)	965	23,840	2,213	977
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	1,179	786		589	196	
Foreign currency translation						
- Gain/(loss) on currency translation	(2)	-		(1)	-	
Share of expenses of equity accounted associates	1,243	(443)		1,227	(463)	
Total Comprehensive income/(loss)	23,303	(2,071)	1,225	25,655	1,946	1,218
Total comprehensive income/(loss) attributable to :						
Owners of the Company	21,614	(1,439)	1,602	23,810	2,750	766
Non-controlling interest	1,689	(632)	367	1,845	(804)	329
	23,303	(2,071)	1,225	25,655	1,946	1,218

(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)



FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	(Unaudited)	(Audited)
	Financial Year Ended 31/12/2023	Financial Year Ended 30/06/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	28,804	28,902
Right-of-use assets	2,228	1,311
Investment properties	45,066	44,798
Investment securities	10,610	10,020
Investment in associates	32,311	32,609
Intangible assets	364	369
Bearer plant	5,148	4,078
Inventories	13,711	13,711
Other receivables & prepayments	56,972	46,624
Goodwill	7	7
	195,221	182,429
Current assets		
Inventories	79,659	86,085
Trade receivables	43,828	53,982
Other receivables	16,219	20,308
Contract Assets	59,249	36,887
Tax recoverable	10,735	9,376
Amount due from associates	31,723	31,294
Short-term investments	67,502	57,952
Fixed deposits with licensed banks	17,914	17,879
Cash and bank balances	62,321	76,751
	389,150	390,514
	584,371	572,943
TOTAL ASSETS		
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	4,697	4,108
Foreign currency translation reserves	684	(543)
Retained profits	152,180	133,894
Equity attributable to owners of the Company	388,085	367,983
Non-Controlling interests	17,106	15,221
TOTAL EQUITY	405,191	383,204
Non-current liabilities		
Deferred tax liabilities	7,573	7,573
Loans and borrowings	15,536	14,620
	23,109	22,193
Current liabilities		
Loans and borrowings	41,390	65,452
Trade payables	73,370	52,110
Other payables	17,178	15,289
Contract liabilities	14,973	32,967
Amount owing to associates	221	80
Amount owing to related parties	2,478	-
Provision of taxation	6,461	1,648
	156,071	167,546
	179,180	189,739
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES	584,371	572,943
Net assets per share attributable to owners of the Company (RM)	0.5233	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)

FAJARBARU BUILDER GROUP BHD 199301026907 (281645-U)
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 31 DECEMBER 2023

	Financial Year Ended 31/12/2023	Financial Year Ended 31/12/2022
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before taxation	27,800	4,993
Adjustment for :		
Amortisation of intangible assets	5	50
Depreciation on property, plant and equipment	2,246	3,032
Depreciation on right-of-use assets	606	296
(Gain) / Loss on disposal of property, plant and equipment	(388)	(26)
(Gain) / Loss on derecognised of right-of-use assets	(4)	-
Interest income	(867)	(339)
Dividend income	(213)	(232)
Finance costs	1,394	779
Share of results of associates	(475)	(1,727)
Unrealise (gain) / loss on foreign exchange differences	(154)	173
Write off of property, plant and equipment	7	3
Operating profit before working capital changes	29,957	7,002
Change in working capital		
(Increase)/Decrease in inventories	1,731	(11,901)
(Increase)/Decrease in receivables	47,871	23,443
Increase/(Decrease) in payables	19,497	(1,771)
Decrease/(Increase) in contract assets/liabilities	(76,938)	30,125
Cash generated from / (used in) operations	22,118	46,898
Taxes credit / (paid)	(506)	(4,305)
Interest paid	(1,372)	(758)
Interest received	15	42
Net cash flow (used in)/ generated from operating activities	20,255	41,877
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	852	298
Dividend received	213	232
Dividend received from associates	2,000	-
Proceeds from disposal of property, plant and equipment	388	62
Additional of right-of-use assets	(1,652)	(264)
Purchase of property, plant and equipment	(2,936)	(3,840)
Repayment/(Advance) from related parties	2,360	2,700
Repayment/(Advance) from associates	-	27,570
Net cash generated from / (used in) investing activities	1,225	26,758
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Finance cost paid	(22)	(21)
Dividends paid on ordinary shares	(3,708)	(7,416)
Drawdown/(Repayment) of lease liabilities	1,088	(33)
Drawdown/(Repayment) of hire purchase	737	(398)
Repayment of loan and borrowings	(24,143)	(13,940)
Net cash generated from / (used in) financing activities	(26,048)	(21,808)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,568)	46,827
Effect of exchange rate changes on cash and cash equivalents	(278)	-
CASH AND BANK BALANCES AS AT 1 JULY	152,583	150,856
CASH AND BANK BALANCES AS AT 31 DECEMBER	147,737	197,683
Less :Fixed deposit under lien	(17,914)	(6,907)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	129,823	190,776

(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 2ND QUARTER ENDED 31 DECEMBER 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	4,108	(543)	133,894	367,983	15,221	383,204
Total comprehensive income/(loss) for the year	-	-	-	-	589	1,227	21,994	23,810	1,845	25,655
Transactions with owners										
Dividends	-	-	-	-	-	-	(3,708)	(3,708)	-	(3,708)
Additional acquisition of subsidiaries	-	-	-	-	-	-	-	-	40	40
As at 31 December 2023	221,534	(1,655)	1,110	9,535	4,697	684	152,180	388,085	17,106	405,191
As at 1 July 2022	221,534	(1,655)	1,110	9,535	4,698	(957)	155,759	390,024	12,328	402,352
Total comprehensive income/(loss) for the year	-	-	-	-	196	(463)	3,017	2,750	(804)	1,946
Transactions with owners										
Dividends	-	-	-	-	-	-	(7,416)	(7,416)	-	(7,416)
As at 31 December 2022	221,534	(1,655)	1,110	9,535	4,894	(1,420)	151,360	385,358	11,524	396,882

(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 September 2023	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 31 December 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

An interim single-tier dividend of 0.5 sen per ordinary share amounting to RM3,708,063.58 in respect of the financial year ending 30 June 2024 was paid on 29 December 2023.

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.

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A11 Segmental reporting

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

	← 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
6 months ended 31.12.23										
Revenue										
External Sales	68,032	13,822	113,008	3,608	671	225	-	-	404	199,770
Inter-segment sales	59,290	-	-	21,845	-	8,299	-	-	(89,434)	-
Total revenue	127,322	13,822	113,008	25,453	671	8,524	-	-	(89,030)	199,770
Results										
Profit/(Loss) from operation	(7,466)	5,373	30,064	407	(27)	7,163	(174)	(7)	(6,614)	28,719
Finance costs	(950)	(207)	(778)	(66)	(9)	(3)	(52)	(10)	681	(1,394)
Share of results in associates	-	851	(376)	-	-	-	-	-	-	475
Profit/(Loss) before tax	(8,416)	6,017	28,910	341	(36)	7,160	(226)	(17)	(5,933)	27,800
Total assets										
Segment assets/ Consolidated total assets	158,248	24,800	229,508	22,406	271	135,350	1,205	4	12,579	584,371

	← 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
6 months ended 31.12.22										
Revenue										
External Sales	78,222	2,354	12,422	1,362	464	3,458	-	42	6,236	104,561
Inter-segment sales	12,152	-	-	6,994	-	43,023	-	-	(62,169)	-
Total revenue	90,374	2,354	12,422	8,356	464	46,481	-	42	(55,933)	104,561
Results										
Profit/(Loss) from operation	1,167	(794)	493	(160)	(178)	44,017	(235)	(614)	(39,651)	4,045
Finance costs	(702)	-	(342)	(53)	(11)	(279)	(43)	(3)	654	(779)
Share of results in associates	-	(388)	2,115	-	-	-	-	-	-	1,727
Profit/(Loss) before tax	465	(1,182)	2,266	(213)	(189)	43,738	(278)	(617)	(38,997)	4,993
Total assets										
Segment assets/ Consolidated total assets	212,922	39,658	178,137	9,605	379	525,758	3,965	419	(404,407)	566,436

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.

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 & Equipment</u>	31 December 2023 RM'000
Approved and contracted for - Denominated in RM	<u>NIL</u>

A15 Changes in contingent liabilities

	The Group		The Company	
	As at 31.12.23	As at 30.06.23	As at 31.12.23	As at 30.06.23
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	17,919	24,314	-	-

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

B1 Review of performance

	Individual Period (2nd quarter)			Cumulative Period		
	Current Year Quarter 31/12/2023 (RM'000)	Preceding Year Corresponding Quarter 31/12/2022 (RM'000)	Changes (%)	Current Year To-date 31/12/2023 (RM'000)	Preceding Year Corresponding Period 31/12/2022 (RM'000)	Changes (%)
Revenue	126,793	67,874	87	199,770	104,561	91
Profit/(loss) from operation	25,073	739	3293	28,719	4,045	610
Profit/(loss) before interest and tax	25,013	502	4883	29,194	5,772	406
Profit/(loss) before tax	24,409	217	11148	27,800	4,993	457
Profit/(loss) after tax	20,883	(2,414)	965	23,840	2,213	977
Profit/(loss) attributable to Owners of the Company	19,193	(1,782)	1177	21,994	3,017	629

The Group recorded revenue of RM126.79 million and profit before tax of RM24.41 million in the current quarter, compared to revenue of RM67.87 million and profit before tax of RM0.22 million in the preceding year corresponding quarter. The higher revenue and profit before tax were mainly contributed from the Property Development and Logging and Timber Trading segments.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 December 2023 are as follows:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 31/12/2023 (RM'000)	Preceding Year Corresponding Quarter 31/12/2022 (RM'000)	Changes (RM'000)	Current Year Quarter 31/12/2023 (RM'000)	Preceding Year Corresponding Quarter 31/12/2022 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	41,937	50,146	(8,209)	(4,735)	(3,566)	* NM
Logging & timber trading	9,753	-	9,753	4,536	(1,102)	5,638
Property development	73,550	14,868	58,682	23,940	5,375	18,565
Trading	1,047	989	58	(173)	(16)	* NM
Logistic	292	195	97	(37)	(206)	* NM
Investment holding	214	1,634	(1,420)	968	465	503
Plantation	-	-	-	(88)	(119)	* NM
Other	-	42	(42)	(2)	(614)	* NM
Total	126,793	67,874		24,409	217	

* NM = Non-meaningful

Construction Segment

Construction segment reported revenue of RM41.94 million and loss before tax of RM4.74 million in the current quarter, compared to revenue of RM50.15 million and loss before tax of RM3.57 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 construction work progress of the newly awarded projects are at its early stage and just started to contribute revenue to the segment. The loss before tax in



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the current quarter was mainly due to higher operating expenses as compare to preceding year corresponding quarter.

Logging and Timber Trading Segment

Logging and Timber Trading segment reported revenue of RM9.75 million and profit before tax of RM4.54 million in the current quarter, compared to no revenue and loss before tax of RM1.10 million in the preceding year corresponding quarter.

The segment registered higher revenue and profit before tax in the current quarter mainly due to the commencement of the logging activities of the approved block. In comparison, there was no approved working block to work on in the preceding year corresponding quarter.

Property Development Segment

Property Development segment reported revenue of RM73.55 million and profit before tax of RM23.94 million in the current quarter, compared to revenue of RM14.87 million and profit before tax of RM5.38 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 RM1.05 million and loss before tax of RM0.17 million in the current quarter, compared to revenue of RM0.99 million and loss before tax of RM0.02 million in the preceding year corresponding quarter.

The slight increase in revenue for the current quarter was primarily attributed to the usual operations of the segment and not influence by any special events or circumstances. The higher loss before tax in the current quarter was due to higher operating expenses.

Logistic Segment

Logistic segment reported revenue of RM0.29 million and loss before tax of RM0.04 million in the current quarter, compared to revenue of RM0.19 million and loss before tax of RM0.21 million in the preceding year corresponding quarter.

The slight increase in revenue and lower loss before tax in the current quarter was primarily attributed to the usual operations of the segment and not influence by any special events or circumstances.

B2 Variation of result against preceding quarter

	Current Year Quarter 31/12/2023 (RM'000)	Immediate Preceding Quarter 30/09/2023 (RM'000)	Changes (%)
Revenue	126,793	72,977	74
Profit/(loss) from operation	25,073	3,646	588
Profit/(loss) before interest and tax	25,013	4,182	498
Profit/(loss) before tax	24,409	3,391	620
Profit/(loss) after tax	20,883	2,957	606
Profit/(loss) attributable to Owners of the Company	19,193	2,801	585

In the current quarter ended 31 December 2023, the Group posted a revenue of RM126.79 million and profit before tax of RM24.41 million, which is an increase of 74% and 620% respectively from the immediate preceding quarter ended 30 September 2023.

The increase in revenue for the current quarter was mainly due to higher activities in the Property Development and Construction segments. The profit before tax for the current quarter greatly improved, which was mainly contributed from the Property Development segment as result from higher work progress at Vierra Residence @Kinrara. In comparison, a lower profit before tax for the immediate preceding quarter primarily impacted by the reassessment of the cost of an existing construction 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 latest report from Bank Negara. 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. 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 RM795 million, with RM170 million attributed to internal development



project. 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 RM4.7 billion.

The Group remains steadfast in its commitment to the strategic, long-term growth plan for its Property Development segment in Malaysia. Currently, 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. 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. 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.

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.

In the Logging and Timber Trading segment of the Group, we have approximately 20,468 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 diverse operations, including reforestation, cultivation of fruit crops, and the planting of eucalyptus trees across an expansive land area of approximately 600 acres. In Port Dickson, Negeri Sembilan, an ecofarm is currently 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 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.

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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 and anticipated uncertainties in the upcoming year. Nonetheless, we have confidence that our diverse divisions 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 31/12/2023 RM'000	3 months ended 31/12/2022 RM'000	6 months ended 31/12/2023 RM'000	6 months ended 31/12/2022 RM'000
Current period's provision	3,526	35	3,960	184
Under / (Over) provision for the prior years	-	-	-	-
	3,526	35	3,960	184
Tax paid for the prior years	-	2,596	-	2,596
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	3,526	2,631	3,960	2,780

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 31 December 2023 were as follows :

	RM'000
At cost	5,912
At market value - Shares	10,610

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:-

	31 December 2023		31 December 2022	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<u>Secured</u>				
Term loan	268	11,999	1,257	1,293
Lease liabilities	340	1,961	305	386
Hire purchase	1,128	1,576	1,280	1,800
Invoice Finance	4,995	-	3,011	-
Revolving Credit	30,000	-	40,000	-
Bills Discounting	-	-	4,574	-
Promissory Note	4,659	-	6,123	-
	41,390	15,536	56,550	3,479



B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 December 2023.

B11 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 31/12/2023 RM'000
Not past due	31,868
Past due:	
- less than 3 months	3,129
- 3 to 6 months	815
- over 6 months	2,501
- more than 1 year	5,515
	<hr/> 43,828 <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 the reporting date.

B13 Dividend

No dividend has been declared for the second quarter ended 31 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 31/12/2023 RM'000	3 months Ended 31/12/2022 RM' 000	6 months Ended 31/12/2023 RM000	6 months Ended 31/12/2022 RM'000
Net (loss)/profit attributable to Owners of the Company	19,193	(1,782)	21,994	3,017
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)	2.59	(0.24)	2.97	0.41
Diluted earnings per share (sen)	1.73	(0.16)	1.98	0.27

B15 Profit before taxation

	Current Year Quarter 31/12/2023 RM'000 Unaudited	Current Year To-date 31/12/2023 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(424)	(867)
Dividend income	(12)	(17)
Depreciation	1,418	2,852
Interest expense	593	1,373
(Gain)/Loss on disposal of property, plant & equipment	(23)	(388)
Unrealised (gain)/loss on foreign exchange	(401)	(154)
Unrealised (gain)/loss on investment fund	(19)	(393)



B16 **Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 26 February 2024.

By Order of the Board
Fajarbaru Builder Group Bhd

Tan Sri Dato' Sri Chan Kong Choy
Executive Chairman

Kuala Lumpur
26 February 2024