

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
For the 1st Quarter Ended 30 September 2019

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2019	Preceding Year Corresponding Quarter 30/09/2018	Changes	Current Year To Date 30/09/2019	Preceding Year Corresponding Period 30/09/2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue</b>	50,393	105,086	-52	50,393	105,086	-52
Cost of Sales	(45,259)	(89,852)	-50	(45,259)	(89,852)	-50
<b>Gross Profit</b>	5,134	15,234	<b>-66</b>	5,134	15,234	<b>-66</b>
Other Income	294	174		294	174	
Interest Income	218	234		218	234	
Operating Expenses	(6,606)	(6,403)		(6,606)	(6,403)	
Finance Costs	(696)	(769)		(696)	(769)	
Share of results of associates	(192)	1,337		(192)	1,337	
<b>Profit/(Loss) Before Tax</b>	<b>(1,848)</b>	<b>9,807</b>	<b>-119</b>	<b>(1,848)</b>	<b>9,807</b>	<b>-119</b>
Tax Expenses	(971)	(2,452)		(971)	(2,452)	
<b>Profit/(Loss) for the period</b>	<b>(2,819)</b>	<b>7,355</b>	<b>-138</b>	<b>(2,819)</b>	<b>7,355</b>	<b>-138</b>
Profit/(Loss) attributable to :						
Owners of the Company	(2,197)	4,735	-146	(2,197)	4,735	-146
Non-controlling interest	(622)	2,620	-124	(622)	2,620	-124
	<b>(2,819)</b>	<b>7,355</b>	<b>-138</b>	<b>(2,819)</b>	<b>7,355</b>	<b>-138</b>
Weighted average no. of shares ('000)	372,775	372,773		372,775	372,773	
<b>Earnings per share attributable to Owners of the Company ( sen )</b>						
- Basic	<b>(0.59)</b>	<b>1.27</b>		<b>(0.59)</b>	<b>1.27</b>	
- Diluted	<b>(0.59)</b>	<b>0.96</b>		<b>(0.59)</b>	<b>0.96</b>	

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**For the 1st Quarter Ended 30 September 2019**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/09/2019	Preceding Year Corresponding Quarter 30/09/2018	Changes	Current Year To Date 30/09/2019	Preceding Year Corresponding Period 30/09/2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(Loss) for the period</b>	(2,819)	7,355	-138	(2,819)	7,355	-138
<b>Other comprehensive income/(loss) :</b>						
Net gain on other investment						
- Gain/(loss) on fair value changes	1,177	(1,569)		1,177	(1,569)	
Foreign currency translation						
- Gain/(loss) on currency translation	(15)	1		(15)	1	
<b>Total Comprehensive income/(loss)</b>	<b>(1,657)</b>	<b>5,787</b>	<b>-129</b>	<b>(1,657)</b>	<b>5,787</b>	<b>-129</b>
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the Company	(1,027)	3,166	-132	(1,027)	3,166	-132
Non-controlling interest	(630)	2,621	-124	(630)	2,621	-124
	<b>(1,657)</b>	<b>5,787</b>	<b>-129</b>	<b>(1,657)</b>	<b>5,787</b>	<b>-129</b>

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

		(Unaudited)	(Audited)
		As At End Of Current Quarter 30/09/2019	As At Financial Year Ended 30/06/2019
	Note	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	1	49,303	52,553
Investment properties	2	44,081	44,081
Investment securities	5	11,384	10,207
Investment in associates	21	3,972	4,164
Intangible assets	6	218	218
Other receivables & prepayments	10	13,703	14,181
Goodwill		7	7
Deferred tax assets	20	1,301	1,301
		123,969	126,712
<b>Current assets</b>			
Inventories	7/8	132,365	136,999
Trade receivables	9	65,484	76,450
Other receivables	10	22,835	24,816
Contract Assets	11	47,938	39,028
Tax recoverable	20	3,566	4,717
Amount due from associates	21	30,608	31,293
Short-term investments	12	18,188	13,144
Fixed deposits with licensed banks	12	12,361	12,290
Cash and bank balances	12	13,962	26,547
		347,307	365,284
<b>TOTAL ASSETS</b>		471,276	491,996
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	194,303	194,275
Treasury shares	13	(1,141)	(1,141)
Warrant reserves	13	-	7,674
Other reserves	13	1,110	1,110
ESOS - Reserves	13	2,628	2,628
Fair value reserves	13	(439)	(1,616)
Foreign currency translation reserves	14	(724)	(716)
Retained profits	14	97,562	92,085
Equity attributable to owners of the Company		293,299	294,299
Non-Controlling interests	15	14,161	20,181
<b>TOTAL EQUITY</b>		307,460	314,480
<b>Non-current liabilities</b>			
Deferred tax liabilities	20	7,759	7,769
Loans and borrowings	19	5,550	8,002
		13,309	15,771
<b>Current liabilities</b>			
Loans and borrowings	19	53,479	54,808
Trade payables	16	47,991	53,427
Other payables	17	19,995	16,741
Contract liabilities	11	16,166	20,773
Provision of taxation	20	4,586	7,706
Provision	18	8,290	8,290
		150,507	161,745
<b>TOTAL LIABILITIES</b>		163,816	177,516
<b>TOTAL EQUITY AND LIABILITIES</b>		471,276	491,996
<b>Net assets per share attributable to owners of the Company (RM)</b>		0.7868	0.7895
<b>No. of Shares issued (net of treasury shares)</b>		372,775,012	372,772,864

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2019**

	End of Current Quarter	End of Preceding Corresponding Quarter
	30/09/2019	30/09/2018
	RM'000	RM'000
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before taxation	(1,848)	9,807
Adjustment for :		
Amortisation of intangible assets	1	-
Depreciation on property, plant and equipment	3,352	2,651
(Gain) / Loss on disposal of property, plant and equipment	-	4
(Gain) / Loss on investment fund	(54)	-
Additional/(Reversal) of provision of foreseeable loss	-	(17)
Interest income	(163)	(234)
Finance costs	695	769
Share of results of associates	192	(1,337)
Unrealise (gain) / loss on foreign exchange differences	686	(62)
Unrealise (gain) / loss on investment fund	(15)	-
<b>Operating profit before working capital changes</b>	<b>2,846</b>	<b>11,581</b>
Change in working capital		
(Increase)/Decrease in inventories	4,731	(3,332)
(Increase)/Decrease in receivables	13,764	(15,693)
Increase/(Decrease) in payables	(10,532)	21,961
Decrease/(Increase) in contract assets/liabilities	(6,219)	(8,680)
<b>Cash generated from / (used in) operations</b>	<b>4,590</b>	<b>5,837</b>
Taxes paid	(2,940)	(4,244)
Interest paid	(637)	(1,130)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>1,013</b>	<b>463</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Interest received	146	216
Proceeds from disposal of property, plant and equipment	-	41
Purchase of property, plant and equipment	(103)	(8,981)
Repayment/(Advance) to associates	685	1,737
<b>Net cash generated from / (used in) investing activities</b>	<b>728</b>	<b>(6,987)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Finance cost paid	(35)	(46)
Dividend paid by subsidiary to non controlling interest	(5,390)	(5,145)
Proceeds from exercise of warrants	28	-
Repayment of loans and borrowings	(31,520)	(37,023)
Repayment of hire purchase	(416)	(292)
Drawdown of borrowings	28,517	38,048
<b>Net cash generated from / (used in) financing activities</b>	<b>(8,816)</b>	<b>(4,458)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALE</b>	<b>(7,075)</b>	<b>(10,982)</b>
Effect of exchange rate changes on cash and cash equivalents	(25)	5
<b>CASH AND BANK BALANCES AS AT 1 JULY</b>	<b>51,611</b>	<b>48,779</b>
<b>CASH AND BANK BALANCES AS AT 30 SEPTEMBER</b>	<b>44,511</b>	<b>37,802</b>
Less Fixed deposit under lien	(12,361)	(12,067)
<b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>	<b>32,150</b>	<b>25,735</b>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

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

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For the 1st Quarter Ended 30 September 2019**

	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 2019</b>	194,275	(1,141)	1,110	7,674	2,628	(1,616)	(716)	92,085	294,299	20,181	314,480
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	1,177	(8)	(2,197)	(1,028)	(630)	(1,658)
Dividends	-	-	-	-	-	-	-	-	-	(5,390)	(5,390)
Issue of ordinary shares:											
- pursuant to warrant exercised	28	-	-	-	-	-	-	-	28	-	28
Warrant expired	-	-	-	(7,674)	-	-	-	7,674	-	-	-
<b>As at 30 September 2019</b>	<b>194,303</b>	<b>(1,141)</b>	<b>1,110</b>	<b>-</b>	<b>2,628</b>	<b>(439)</b>	<b>(724)</b>	<b>97,562</b>	<b>293,299</b>	<b>14,161</b>	<b>307,460</b>
<b>As at 1 July 2018</b>	194,275	(1,141)	1,110	7,674	2,628	(46)	(715)	83,261	287,046	26,778	313,824
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(1,569)	1	4,735	3,167	2,621	5,788
Dividends	-	-	-	-	-	-	-	-	-	(5,145)	(5,145)
<b>As at 30 September 2018</b>	<b>194,275</b>	<b>(1,141)</b>	<b>1,110</b>	<b>7,674</b>	<b>2,628</b>	<b>(1,615)</b>	<b>(714)</b>	<b>87,996</b>	<b>290,213</b>	<b>24,254</b>	<b>314,467</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 2019 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 2019. 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 2019.

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

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for financial year ended 30 June 2019, except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments which are effective from the annual period on or after 1 January 2019:-

Standard	Title
MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Financial Instruments- Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 119	Employee Benefits- Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

The adoption of the above new accounting standards, interpretations and amendments does not have any material impact on the financial statements of the Group.

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

*Effective for financial periods beginning on or after 1 January 2019:*

<i>Standard</i>	<i>Title</i>
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to Reference to the Conceptual Framework in MFRSs	

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 2019 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 September 2019 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 June 2019	1,070,164	1,141,028
Repurchased during the quarter	-	-
Balance as at 30 September 2019	1,070,164	1,141,028

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 2019.

## A11 Segmental reporting

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

3 months ended 30.09.19	← 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		
<b>Revenue</b>								
External Sales	22,273	5,377	20,204	1,969	306	84	180	50,393
Inter-segment sales	12,442	-	-	2,314	-	6,370	(21,126)	-
Total revenue	<u>34,715</u>	<u>5,377</u>	<u>20,204</u>	<u>4,283</u>	<u>306</u>	<u>6,454</u>	<u>(20,946)</u>	<u>50,393</u>
<b>Results</b>								
Profit/(Loss) from operation	(2,305)	10,149	3,691	(103)	(39)	4,803	(17,156)	(960)
Finance costs	(674)	(6)	(1)	(1)	(14)	-	-	(696)
Share of results in associates	-	(192)	-	-	-	-	-	(192)
Profit/(Loss) before tax	<u>(2,979)</u>	<u>9,951</u>	<u>3,690</u>	<u>(104)</u>	<u>(53)</u>	<u>4,803</u>	<u>(17,156)</u>	<u>(1,848)</u>
<b>Total assets</b>								
Segment assets/ Consolidated total assets	<u>185,480</u>	<u>40,421</u>	<u>181,341</u>	<u>6,958</u>	<u>1,243</u>	<u>432,141</u>	<u>(376,308)</u>	<u>471,276</u>



3 months ended 30.09.18	← 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		
<b>Revenue</b>								
External Sales	74,676	17,738	7,441	3,122	256	21	1,832	105,086
Inter-segment sales	8,806	-	-	7,285	-	6,159	(22,250)	-
Total revenue	<u>83,482</u>	<u>17,738</u>	<u>7,441</u>	<u>10,407</u>	<u>256</u>	<u>6,180</u>	<u>(20,418)</u>	<u>105,086</u>
<b>Results</b>								
Profit/(Loss) from operation	905	18,013	1,191	2	(38)	4,965	(15,799)	9,239
Finance costs	(659)	(8)	(61)	(29)	(12)	-	-	(769)
Share of results in associates	-	1,337	-	-	-	-	-	1,337
Profit/(Loss) before tax	<u>246</u>	<u>19,342</u>	<u>1,130</u>	<u>(27)</u>	<u>(50)</u>	<u>4,965</u>	<u>(15,799)</u>	<u>9,807</u>
<b>Total assets</b>								
Segment assets/ Consolidated total assets	<u>180,669</u>	<u>48,779</u>	<u>146,948</u>	<u>12,200</u>	<u>324</u>	<u>52,879</u>	<u>102,965</u>	<u>544,764</u>

## **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 during the 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 September 2019 RM'000
Approved and contracted for - Denominated in RM	<u>205</u>

## **A15 Changes in contingent liabilities**

	The Group		The Company	
	As at 30.09.19 RM'000	As at 30.06.19 RM'000	As at 30.09.19 RM'000	As at 30.06.19 RM'000
Performance and tender bond granted to contract customers	56,111	50,655	-	-

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

### B1 Review of performance

	Individual Period (1s quarter)			Cumulative Period		
	Current Year Quarter 30/09/2019 (RM'000)	Preceding Year Corresponding Quarter 30/09/2018 (RM'000)	Changes (%)	Current Year To-date 30/09/2019 (RM'000)	Preceding Year Corresponding Period 30/09/2018 (RM'000)	Changes (%)
Revenue	50,393	105,086	-52	50,393	105,086	-52
Profit/(loss) from operation	(961)	9,239	-110	(961)	9,239	-110
Profit/(loss) before interest and tax	(1,152)	10,576	-111	(1,152)	10,576	-111
Profit/(loss) before tax	(1,848)	9,807	-119	(1,848)	9,807	-119
Profit/(loss) after tax	(2,819)	7,355	-138	(2,819)	7,355	-138
Profit/(loss) attributable to Owners of the Company	(2,197)	4,735	-146	(2,197)	4,735	-146

During the current quarter, the Group recorded a lower revenue of RM50.4 million as compared to RM105.1 million in the preceding year corresponding quarter. The Group registered a loss before tax of RM1.8 million for the current quarter against a profit before tax of RM9.8 million reported in the previous corresponding quarter. The lower revenue and loss before tax during the current quarter were mainly attributed to the reduction in the revenue of Construction segment as well as the Logging and Timber Trading segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 September 2019 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 30/09/2019 (RM'000)	Preceding Year Corresponding Quarter 30/09/2018 (RM'000)	Changes (RM'000)	Current Year Quarter 30/09/2019 (RM'000)	Preceding Year Corresponding Period 30/09/2018 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	22,273	74,676	(52,403)	(3,931)	(320)	NM
Logging & timber trading	5,377	17,738	(12,361)	(1,468)	8,851	(10,319)
Property development	20,384	9,273	11,111	4,926	2,168	2,758
Trading	1,969	3,122	(1,153)	(81)	(139)	NM
Logistic	306	256	50	(106)	(72)	NM
Investment holding	84	21	63	(1,188)	(681)	NM
Total	50,393	105,086		(1,848)	9,807	

\* NM = Non-meaningful

#### Construction Segment

For the current quarter, revenue decreased to RM22.3 million as compared to RM74.7 million in the preceding year corresponding quarter. The lower revenue for the current quarter was due to new projects still in its initial stage of construction and hence, the value of work done is not significant.

In comparison the revenue for the preceding year corresponding period was attributable to the projects which were in advanced stages of work during the period.

Correspondingly with the drop in the revenue, the Group has also recorded a loss before tax for the current quarter of RM3.9 million as compared to a profit before tax of RM0.3 million in the preceding year corresponding quarter.

#### Logging and Timber Trading Segment

This segment recorded a lower revenue and loss before tax of RM5.4 million and RM1.5 million respectively as compared to a revenue of RM17.7 million and profit before tax of RM8.9 million in the preceding year corresponding quarter.

The revenue generated in the current quarter was 69.4% lower than revenue achieved in the preceding year corresponding quarter mainly attributable to lower production and sales volume of logs due to lesser working block; coupled with the lower selling price which resulted in loss from operation.

#### Property Development Segment

This segment recorded a higher revenue and profit before tax of RM20.4 million and RM5.0 million respectively as compared to a revenue of RM9.3 million and profit before tax of RM2.4 million in the preceding year corresponding quarter.

The higher revenue and profit before tax for the current quarter were mainly due to higher work progress from the Rica Residence @ Sentul development.

#### Trading and Logistic Segments

For the current quarter, the Trading and Logistic segments registered a total revenue of RM2.3 million as compared to RM3.4 million in the preceding year corresponding quarter. Despite lower revenue recorded in current quarter, the Trading and Logistic segments loss before tax improved marginally as a result of higher profit margin being obtained from the trade of construction material for the current quarter.

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

	Current Year Quarter 30/09/2019 (RM'000)	Immediate Preceding Quarter 30/06/2019 (RM'000)	Changes (%)
Revenue	50,393	95,330	-47
Profit/(loss) from operation	(961)	20,934	-105
Profit/(loss) before interest and tax	(1,152)	21,165	-105
Profit/(loss) before tax	(1,848)	20,433	-109
Profit/(loss) after tax	(2,819)	14,950	-119
Profit/(loss) attributable to Owners of the Company	(2,197)	14,129	-116

For the current quarter ended 30 September 2019, the Group registered a lower revenue of RM50.4 million and a loss before tax of RM1.8 million as compared to a revenue of RM95.3 million and a profit before tax of RM20.4 million in the preceding quarter ended 30 June 2019.

The decrease in revenue and profit before tax was mainly due to lower contribution from Construction Segment and Logging and Timber Trading Segment.

**B3**     **Current year prospects**

The Group's Construction segment will continue to develop through financial year 2019, focusing on our current order book of approximately RM470.0 million (including RM33.3 million of internal project). Moving forward, there will be uncertainties in the Construction segment in the short term. However, with good track record and having completed various rail-related projects such as Double-Track (Seremban-Gemas), LRT stations and depots and consistently delivering quality products and services, we are able to compete on some of the infrastructure and rail construction jobs. Furthermore, the Group has invested in the latest trackwork machineries capable of constructing and maintaining railway tracks and such services are only provided by a limited number of companies.

Generally, the market is expected to remain subdued for the rest of the year. The sales of Rica Residence @ Sentul is maintained at 73%. We are hopeful that the recent relaxation of price-cap for foreigners will boost sales for Rica Residence @ Sentul. On Rica Residence Puchong, the launch will be delayed further until market condition improves. In Melbourne, the sales rate is over 90% and construction works are progressing well. Ongoing efforts to sell the remaining units are in progress.

For timber industry, contribution of revenue is anticipated to be lower due to the lesser acre of working blocks left to log and the production of the current working blocks is almost to its end. However, our associate company with a remaining 75% of working block yet to be logged will continue to contribute to the Group earnings in the future.

The Group will continue to explore more business opportunities and is committed to continue capitalising its strengths to generate sustainable revenue from its existing or new businesses.

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

**B6 Income tax**

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30/09/2019 RM'000	3 months ended 30/09/2018 RM'000	3 months ended 30/09/2019 RM'000	3 months ended 30/09/2018 RM'000
Current period's provision	971	2,378	971	2,378
Under / (Over) provision for the prior years	-	74	-	74
	971	2,452	971	2,452
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	971	2,452	971	2,452

The effective tax rate for the financial year was higher than the statutory income tax rate in Malaysia mainly due to certain expenses not deductible for tax purposes and higher tax rate in Australia.

**B7 Purchase or disposal of quoted securities**

There were no purchase or disposal of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 30 September 2019 were as follows :

	<b>RM'000</b>
At cost	11,822
At market value	
- Shares	8,643
- Warrants	2,741

**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:-

	30 September 2019		30 September 2018	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<b><u>Secured</u></b>				
Term loan	26,723	2,500	45,748	25,670
Hire purchase	1,673	3,050	1,714	4,106
Invoice Finance	8,417	-	-	-
Bankers Acceptance	-	-	2,515	-
Revolving Credit	16,667	-	18,000	-
	53,479	5,550	67,977	29,776

**B10 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2019.

**B11 Trade receivables**

The age analysis of trade receivables is as follow :

	<b>Current Quarter Ended 30/09/2019 RM'000</b>
Not past due	27,467
Past due:	
- less than 3 months	6,617
- 3 to 6 months	910
- over 6 months	4,973
- more than 1 year	25,516
	<u><u>65,484</u></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****Shaw Plaza Arbitration**

On 19 April 2019, Fajarbaru Builder Sdn. Bhd. (a wholly owned subsidiary of the Fajarbaru Builder Group Berhad) (“FBSB”) was served with a Solicitor Letter of agreeable to resolve their differences and disputes by way of arbitration proceedings to Shaw Plaza Sdn. Bhd. (“SPSB”).

The Solicitor Letter to SPSB to refer the disputes or differences arising from the Contract and Mutual Termination Agreement dated 25 May 2015 (“MTA”), relating to the Shaw Parade Project to arbitration. FBSB has indicated to SPSB that they have a claim against SPSB amounting to RM22.8 million, in addition to other damages, costs, interests and other expense claims.

**B13 Dividend**

An interim single tier dividend of 1.5 sen per ordinary share be declared in respect of the financial year ending 30 June 2020.

The interim dividend will be paid on 30 December 2019 to the shareholders whose name appear in the Record of Depositors of the Company on 9 December 2019.

## 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 30/09/2019 RM'000	3 months Ended 30/09/2018 RM' 000	3 months Ended 30/09/2019 RM000	3 months Ended 30/09/2018 RM'000
Net profit attributable to Owners of the Company	(2,197)	4,735	(2,197)	4,735
Weighted Average Number of shares at the end of the period ('000)	372,775	372,773	372,775	372,773
Weighted Average Number of shares of conversion of ESOS to shares ('000)	*	119,228	*	119,228
Adjusted number of ordinary shares in issue and issuable ('000)	372,775	492,001	372,775	492,001
<b>Basic (loss) / earnings per share (sen)</b>	(0.59)	1.27	(0.59)	1.27
<b>Diluted (loss) / earnings per share (sen)</b>	(0.59)	0.96	(0.59)	0.96

\* The potential conversion of Employee Share Option Reserve are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of Employee Share Option Reserve have been ignored in the calculation of dilutive earnings per share.

## B15 Profit before taxation

	Current Year Quarter 30/09/2019 RM'000 Unaudited	Current Year To-date 30/09/2019 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(218)	(218)
Depreciation	3,352	3,352
Interest expense	637	637
Unrealised (gain)/loss on foreign exchange	686	686
Unrealised (gain)/loss on investment fund	(15)	(15)

**B16 Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 20 November 2019.

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

Dato' Ir Low Keng Kok  
Chairman

Kuala Lumpur  
20 November 2019