

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the 2nd Quarter Ended 31 December 2019

|   | Individual Quarter                 |  |            | Cumulative Quarter                 |   |           |
|---|------------------------------------|--|------------|------------------------------------|---|-----------|
|   | Current Year Quarter<br>31/12/2019 | Preceding Year Corresponding Quarter<br>31/12/2018 | Changes    | Current Year To Date<br>31/12/2019 | Preceding Year Corresponding Period<br>31/12/2018 | Changes   |
|   | RM'000                             | RM'000   | %          | RM'000                             | RM'000  | %         |
| <b>Revenue</b>  | 103,467                            | 62,479   | 66         | 153,860                            | 167,565   | -8        |
| Cost of Sales   | (55,561)                           | (43,523)   | 28         | (100,820)                          | (133,375)   | -24       |
| <b>Gross Profit</b>   | 47,906                             | 18,956   | <b>153</b> | 53,040                             | 34,190  | <b>55</b> |
| Other Income  | 312                                | 277  |            | 606                                | 451   |           |
| Interest Income   | 212                                | 229  |            | 430                                | 463   |           |
| Operating Expenses  | (6,906)                            | (7,137)  |            | (13,512)                           | (13,540)  |           |
| Finance Costs   | (11,356)                           | (747)  |            | (12,052)                           | (1,516)   |           |
| Share of results of associates  | (132)                              | 541  |            | (324)                              | 1,878   |           |
| <b>Profit/(Loss) Before Tax</b>   | <b>30,036</b>                      | <b>12,119</b>                                      | <b>148</b> | <b>28,188</b>                      | <b>21,926</b>                                     | <b>29</b> |
| Tax Expenses  | (6,793)                            | (4,664)  |            | (7,764)                            | (7,116)   |           |
| <b>Profit/(Loss) for the period</b>                                     | <b>23,243</b>                      | <b>7,455</b>                                       | <b>212</b> | <b>20,424</b>                      | <b>14,810</b>                                     | <b>38</b> |
| Profit/(Loss) attributable to :   |                                    |  |            |                                    |   |           |
| Owners of the Company   | 23,023                             | 3,773  | 510        | 20,826                             | 8,508   | 145       |
| Non-controlling interest  | 220                                | 3,682  | -94        | (402)                              | 6,302   | -106      |
|   | <b>23,243</b>                      | <b>7,455</b>                                       | <b>212</b> | <b>20,424</b>                      | <b>14,810</b>                                     | <b>38</b> |
| Weighted average no. of shares ('000)                                   | 372,812                            | 372,773  |            | 372,794                            | 372,773   |           |
| <b>Earnings per share attributable to Owners of the Company ( sen )</b> |                                    |  |            |                                    |   |           |
| - Basic   | <b>6.18</b>                        | <b>1.01</b>  |            | <b>5.59</b>                        | <b>2.28</b>                                       |           |
| - Diluted   | <b>6.18</b>                        | <b>0.77</b>  |            | <b>5.59</b>                        | <b>1.73</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 2nd Quarter Ended 31 December 2019**

|  | Individual Quarter                 |  |            | Cumulative Quarter                 |   |           |
|--|------------------------------------|--|------------|------------------------------------|---|-----------|
|  | Current Year Quarter<br>31/12/2019 | Preceding Year Corresponding Quarter<br>31/12/2018 | Changes    | Current Year To Date<br>31/12/2019 | Preceding Year Corresponding Period<br>31/12/2018 | Changes   |
|  | RM'000                             | RM'000   | %          | RM'000                             | RM'000  | %         |
| <b>Profit/(Loss) for the period</b>                        | 23,243                             | 7,455  | 212        | 20,424                             | 14,810  | 38        |
| <b>Other comprehensive income/(loss) :</b>                 |                                    |  |            |                                    |   |           |
| Net gain on other investment                               |                                    |  |            |                                    |   |           |
| - Gain/(loss) on fair value changes                        | -                                  | 1,177  |            | 1,177                              | (392)   |           |
| Foreign currency translation                               |                                    |  |            |                                    |   |           |
| - Gain/(loss) on currency translation                      | 8                                  | 8  |            | (7)                                | 9   |           |
| <b>Total Comprehensive income/(loss)</b>                   | <b>23,251</b>                      | <b>8,640</b>                                       | <b>169</b> | <b>21,594</b>                      | <b>14,427</b>                                     | <b>50</b> |
| <b>Total comprehensive income/(loss) attributable to :</b> |                                    |  |            |                                    |   |           |
| Owners of the Company                                      | 23,027                             | 4,954  | 365        | 22,000                             | 8,121   | 171       |
| Non-controlling interest                                   | 224                                | 3,686  | -94        | (406)                              | 6,306   | -106      |
|  | <b>23,251</b>                      | <b>8,640</b>                                       | <b>169</b> | <b>21,594</b>                      | <b>14,427</b>                                     | <b>50</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 31 DECEMBER 2019**

|  | (Unaudited)                                      | (Audited)                                      |
|--|--|--|
|  | As At<br>End Of<br>Current Quarter<br>31/12/2019 | As At<br>Financial<br>Year Ended<br>30/06/2019 |
|  | RM'000   | RM'000   |
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>  |  |  |
| Property, plant & equipment  | 46,112   | 52,553   |
| Investment properties  | 44,081   | 44,081   |
| Investment securities  | 11,384   | 10,207   |
| Investment in associates   | 3,840  | 4,164  |
| Intangible assets  | 218  | 218  |
| Other receivables & prepayments  | 13,680   | 14,181   |
| Goodwill   | 7  | 7  |
| Deferred tax assets  | 1,301  | 1,301  |
|  | 120,623  | 126,712  |
| <b>Current assets</b>  |  |  |
| Inventories  | 122,269  | 136,999  |
| Trade receivables  | 118,994  | 76,450   |
| Other receivables  | 22,294   | 24,816   |
| Contract Assets  | 27,735   | 39,028   |
| Tax recoverable  | 243  | 4,717  |
| Amount due from associates   | 30,949   | 31,293   |
| Short-term investments   | 11,786   | 13,144   |
| Fixed deposits with licensed banks                                     | 12,438   | 12,290   |
| Cash and bank balances   | 46,278   | 26,547   |
|  | 392,986  | 365,284  |
| <b>TOTAL ASSETS</b>  | <b>513,609</b>                                   | <b>491,996</b>                                 |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to owners of the Company</b>                    |  |  |
| Share capital  | 194,303  | 194,275  |
| Treasury shares  | (1,141)  | (1,141)  |
| Warrant reserves   | -  | 7,674  |
| Other reserves   | 1,110  | 1,110  |
| ESOS - Reserves  | 2,628  | 2,628  |
| Fair value reserves  | (439)  | (1,616)  |
| Foreign currency translation reserves                                  | (719)  | (716)  |
| Retained profits   | 114,993  | 92,085   |
| Equity attributable to owners of the Company                           | 310,735  | 294,299  |
| Non-Controlling interests  | 13,160   | 20,181   |
| <b>TOTAL EQUITY</b>  | <b>323,895</b>                                   | <b>314,480</b>                                 |
| <b>Non-current liabilities</b>   |  |  |
| Deferred tax liabilities   | 7,764  | 7,769  |
| Loans and borrowings   | 2,520  | 8,002  |
|  | 10,284   | 15,771   |
| <b>Current liabilities</b>   |  |  |
| Loans and borrowings   | 73,990   | 54,808   |
| Trade payables   | 51,821   | 53,427   |
| Other payables   | 27,277   | 16,741   |
| Contract liabilities   | 13,689   | 20,773   |
| Provision of taxation  | 4,363  | 7,706  |
| Provision  | 8,290  | 8,290  |
|  | 179,430  | 161,745  |
| <b>TOTAL LIABILITIES</b>   | <b>189,714</b>                                   | <b>177,516</b>                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <b>513,609</b>                                   | <b>491,996</b>                                 |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | <b>0.8336</b>                                    | <b>0.7895</b>                                  |
| <b>No. of Shares issued (net of treasury shares)</b>                   | <b>372,775,012</b>                               | <b>372,772,864</b>                             |

(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 2ND QUARTER ENDED 31 DECEMBER 2019**

|   | End of<br>Current<br>Quarter | End of<br>Preceding<br>Corresponding<br>Quarter |
|---|------------------------------|---|
|   | 31/12/2019                   | 31/12/2018                                      |
|   | RM'000                       | RM'000  |
| <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>                   |                              |   |
| Profit/(Loss) before taxation                                       | 28,188                       | 21,926  |
| Adjustment for :  |                              |   |
| Amortisation of intangible assets                                   | 2                            | -   |
| Depreciation on property, plant and equipment                       | 6,717                        | 5,601   |
| (Gain) / Loss on disposal of property, plant and equipment          | -                            | (23)  |
| (Gain) / Loss on investment fund                                    | (125)                        | -   |
| Reversal of provision for liquidated ascertained damages            | -                            | (2,630)   |
| Additional/(Reversal) of provision of foreseeable loss              | -                            | (96)  |
| Interest income   | (305)                        | (462)   |
| Finance costs   | 12,052                       | 1,516   |
| Share of results of associates                                      | 324                          | (1,878)   |
| Unrealise (gain) / loss on foreign exchange differences             | 344                          | 543   |
| <b>Operating profit before working capital changes</b>              | <b>47,197</b>                | <b>24,497</b>                                   |
| Change in working capital   |                              |   |
| (Increase)/Decrease in inventories                                  | 4,230                        | (5,099)   |
| (Increase)/Decrease in receivables                                  | (38,847)                     | 13,416  |
| Increase/(Decrease) in payables                                     | 679                          | 15,339  |
| Decrease/(Increase) in contract assets/liabilities                  | 11,507                       | 743   |
| <b>Cash generated from / (used in) operations</b>                   | <b>24,766</b>                | <b>48,896</b>                                   |
| Taxes paid  | (6,633)                      | (8,311)   |
| Interest paid   | (1,389)                      | (2,358)   |
| <b>Net cash flow (used in)/ generated from operating activities</b> | <b>16,744</b>                | <b>38,227</b>                                   |
| <b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>                   |                              |   |
| Interest received   | 279                          | 436   |
| Proceeds from disposal of property, plant and equipment             | -                            | 90  |
| Purchase of property, plant and equipment                           | (164)                        | (9,094)   |
| Purchase of trademark   | -                            | (2)   |
| Repayment/(Advance) to associates                                   | 343                          | 3,932   |
| <b>Net cash generated from / (used in) investing activities</b>     | <b>458</b>                   | <b>(4,638)</b>                                  |
| <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>                   |                              |   |
| Finance cost paid   | (70)                         | (90)  |
| Dividends paid on ordinary shares                                   | (5,592)                      | (5,592)   |
| Dividend paid by subsidiary to non controlling interest             | (6,615)                      | (7,595)   |
| Proceeds from exercise of warrants                                  | 28                           | -   |
| Repayment of loans and borrowings                                   | (98,078)                     | (88,337)  |
| Repayment of hire purchase  | (823)                        | (712)   |
| Drawdown of borrowings  | 112,851                      | 53,490  |
| <b>Net cash generated from / (used in) financing activities</b>     | <b>1,701</b>                 | <b>(48,836)</b>                                 |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALE</b>            | <b>18,903</b>                | <b>(15,247)</b>                                 |
| Effect of exchange rate changes on cash and cash equivalents        | (12)                         | (31)  |
| <b>CASH AND BANK BALANCES AS AT 1 JULY</b>                          | <b>51,611</b>                | <b>57,779</b>                                   |
| <b>CASH AND BANK BALANCES AS AT 31 DECEMBER</b>                     | <b>70,502</b>                | <b>42,501</b>                                   |
| Less Fixed deposit under lien                                       | (12,438)                     | (12,086)  |
| <b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>                  | <b>58,064</b>                | <b>30,415</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 2nd Quarter Ended 31 December 2019**

|   | Share<br>Capital<br>(RM'000) | Treasury<br>Shares<br>(RM'000) | Other<br>reserve<br>(RM'000) | Warrant<br>reserve<br>(RM'000) | Employee<br>share option<br>reserve<br>(RM'000) | Fair value<br>reserve<br>(RM'000) | Foreign exchange<br>translation<br>reserve<br>(RM'000) | Retained<br>profit<br>(RM'000) | Attributable<br>to Owners of<br>the Company<br>(RM'000) | Non-Controlling<br>Interest<br>(RM'000) | Total<br>Equity<br>(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)<br/>for the year</b> | -                            | -                              | -                            | -                              | -   | 1,177                             | (3)  | 20,826                         | 22,000  | (406)                                   | 21,594                      |
| Dividends   | -                            | -                              | -                            | -                              | -   | -                                 | -  | (5,592)                        | (5,592)   | (6,615)                                 | (12,207)                    |
| Issue of ordinary shares:                                 |                              |                                |                              |                                |   |                                   |  |                                |   |   |                             |
| - pursuant to warrant exercised                           | 28                           | -                              | -                            | -                              | -   | -                                 | -  | -                              | 28  | -                                       | 28                          |
| Warrant expired   | -                            | -                              | -                            | (7,674)                        | -   | -                                 | -  | 7,674                          | -   | -                                       | -                           |
| <b>As at 31 December 2019</b>                             | <b>194,303</b>               | <b>(1,141)</b>                 | <b>1,110</b>                 | <b>-</b>                       | <b>2,628</b>                                    | <b>(439)</b>                      | <b>(719)</b>   | <b>114,993</b>                 | <b>310,735</b>  | <b>13,160</b>                           | <b>323,895</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<br/>the year</b>        | -                            | -                              | -                            | -                              | -   | (392)                             | 5  | 8,508                          | 8,121   | 6,306                                   | 14,427                      |
| Dividends   | -                            | -                              | -                            | -                              | -   | -                                 | -  | (5,592)                        | (5,592)   | (7,595)                                 | (13,187)                    |
| <b>As at 31 December 2018</b>                             | <b>194,275</b>               | <b>(1,141)</b>                 | <b>1,110</b>                 | <b>7,674</b>                   | <b>2,628</b>                                    | <b>(438)</b>                      | <b>(710)</b>   | <b>86,177</b>                  | <b>289,575</b>  | <b>25,489</b>                           | <b>315,064</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 31 December 2019 are as follow:

|                                 | Number of Treasury shares | Total Considerations RM |
|---------------------------------|---------------------------|-------------------------|
| Balance as at 30 September 2019 | 1,070,164                 | 1,141,028               |
| Repurchased during the quarter  | -                         | -                       |
| Balance as at 31 December 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

An interim single tier dividend of 1.5 sen per ordinary share amounting to RM5,592,179.91 in respect of the financial year ending 30 June 2020 was paid on 30 December 2019.

## 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:-

| 6 months ended 31.12.19                      | ← 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                               | 97,384                          | 15,130                            | 33,557                      | 5,717          | 611             | 168                       | 1,293                              | 153,860        |
| Inter-segment sales                          | 22,552                          | -                                 | -                           | 6,481          | -               | 8,405                     | (37,438)                           | -              |
| Total revenue                                | <u>119,936</u>                  | <u>15,130</u>                     | <u>33,557</u>               | <u>12,198</u>  | <u>611</u>      | <u>8,573</u>              | <u>(36,145)</u>                    | <u>153,860</u> |
| <b>Results</b>                               |                                 |                                   |                             |                |                 |                           |                                    |                |
| Profit/(Loss) from operation                 | 35,604                          | 14,801                            | 4,034                       | (8)            | (74)            | 6,326                     | (20,119)                           | 40,564         |
| Finance costs                                | (1,335)                         | (10)                              | (10,678)                    | (2)            | (27)            | -                         | -                                  | (12,052)       |
| Share of results in associates               | -                               | (324)                             | -                           | -              | -               | -                         | -                                  | (324)          |
| Profit/(Loss) before tax                     | <u>34,269</u>                   | <u>14,467</u>                     | <u>(6,644)</u>              | <u>(10)</u>    | <u>(101)</u>    | <u>6,326</u>              | <u>(20,119)</u>                    | <u>28,188</u>  |
| <b>Total assets</b>                          |                                 |                                   |                             |                |                 |                           |                                    |                |
| Segment assets/<br>Consolidated total assets | <u>249,374</u>                  | <u>38,874</u>                     | <u>173,572</u>              | <u>11,501</u>  | <u>1,179</u>    | <u>432,149</u>            | <u>(393,040)</u>                   | <u>513,609</u> |



| 6 months ended 31.12.18                      | ← Before Group's Eliminations → |                                      |                                |                   |                    |                              | Adjustment and Eliminations<br>RM'000 | Total<br>RM'000 |
|--|---------------------------------|--------------------------------------|--------------------------------|-------------------|--------------------|------------------------------|---------------------------------------|-----------------|
|  | Construction<br>RM'000          | Logging and timber trading<br>RM'000 | Property development<br>RM'000 | Trading<br>RM'000 | Logistic<br>RM'000 | Investment holding<br>RM'000 |                                       |                 |
| <b>Revenue</b>                               |                                 |                                      |                                |                   |                    |                              |                                       |                 |
| External Sales                               | 99,855                          | 40,259                               | 22,897                         | 4,869             | 615                | 71                           | (1,001)                               | 167,565         |
| Inter-segment sales                          | 20,376                          | -                                    | -                              | 14,197            | -                  | 8,789                        | (43,362)                              | -               |
| Total revenue                                | <u>120,231</u>                  | <u>40,259</u>                        | <u>22,897</u>                  | <u>19,066</u>     | <u>615</u>         | <u>8,860</u>                 | <u>(44,363)</u>                       | <u>167,565</u>  |
| <b>Results</b>                               |                                 |                                      |                                |                   |                    |                              |                                       |                 |
| Profit/(Loss) from operation                 | 1,691                           | 33,204                               | 3,970                          | 464               | (26)               | 6,468                        | (24,206)                              | 21,565          |
| Finance costs                                | (1,305)                         | (16)                                 | (138)                          | (29)              | (29)               | -                            | -                                     | (1,517)         |
| Share of results in associates               | -                               | 1,878                                | -                              | -                 | -                  | -                            | -                                     | 1,878           |
| Profit/(Loss) before tax                     | <u>386</u>                      | <u>35,066</u>                        | <u>3,832</u>                   | <u>435</u>        | <u>(55)</u>        | <u>6,468</u>                 | <u>(24,206)</u>                       | <u>21,926</u>   |
| <b>Total assets</b>                          |                                 |                                      |                                |                   |                    |                              |                                       |                 |
| Segment assets/<br>Consolidated total assets | <u>162,031</u>                  | <u>56,552</u>                        | <u>154,770</u>                 | <u>10,808</u>     | <u>330</u>         | <u>49,133</u>                | <u>88,170</u>                         | <u>521,794</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> | 31 December 2019 |
|  | RM'000           |
| Approved and contracted for            |                  |
| - Denominated in RM                    | <u>2,107</u>     |

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

|   | The Group                |                          | The Company              |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | As at 31.12.19<br>RM'000 | As at 30.06.19<br>RM'000 | As at 31.12.19<br>RM'000 | As at 30.06.19<br>RM'000 |
| Performance and tender bond granted to contract customers | 56,294                   | 50,655                   | -                        | -                        |

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

### B1 Review of performance

|   | Individual Period (2nd quarter)                   |  |                | Cumulative Period                                 |   |                |
|---|---|--|----------------|---|---|----------------|
|   | Current Year<br>Quarter<br>31/12/2019<br>(RM'000) | Preceding Year<br>Corresponding<br>Quarter<br>31/12/2018<br>(RM'000) | Changes<br>(%) | Current Year<br>To-date<br>31/12/2019<br>(RM'000) | Preceding Year<br>Corresponding<br>Period<br>31/12/2018<br>(RM'000) | Changes<br>(%) |
| Revenue   | 103,467   | 62,479   | 66             | 153,860   | 167,565   | -8             |
| Profit/(loss) from operation                        | 41,524  | 12,326   | 237            | 40,564  | 21,564  | 88             |
| Profit/(loss) before interest and tax               | 41,392  | 12,866   | 222            | 40,240  | 23,442  | 72             |
| Profit/(loss) before tax                            | 30,036  | 12,119   | 148            | 28,188  | 21,926  | 29             |
| Profit/(loss) after tax                             | 23,243  | 7,455  | 212            | 20,424  | 14,810  | 38             |
| Profit/(loss) attributable to Owners of the Company | 23,023  | 3,773  | 510            | 20,826  | 8,508   | 145            |

During the current quarter, the Group recorded a higher revenue of RM103.5 million as compared to RM62.5 million in the preceding year corresponding quarter. The Group's profit before tax increased to RM30.0 million as compared to RM12.1 million in the preceding year corresponding quarter. The higher revenue and profit before tax during the current quarter were mainly attributed to the increase in revenue of Construction segment, despite a decline in revenue from Logging and Timber Trading Segment in the current quarter as compared to preceding year corresponding quarter.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 December 2019 are as follow:

|                          | Revenue   |  |                     | Profit / (Loss) before tax                        |   |                     |
|--------------------------|---|--|---------------------|---|---|---------------------|
|                          | Current Year<br>Quarter<br>31/12/2019<br>(RM'000) | Preceding Year<br>Corresponding<br>Quarter<br>31/12/2018<br>(RM'000) | Changes<br>(RM'000) | Current Year<br>Quarter<br>31/12/2019<br>(RM'000) | Preceding Year<br>Corresponding<br>Period<br>31/12/2018<br>(RM'000) | Changes<br>(RM'000) |
| <b><u>Segment</u></b>    |   |  |                     |   |   |                     |
| Construction             | 75,111  | 25,178   | 49,933              | 36,464  | (429)   | 36,893              |
| Logging & timber trading | 9,753   | 22,521   | (12,768)            | 2,102   | 11,103  | (9,001)             |
| Property development     | 14,466  | 12,624   | 1,842               | (8,249)   | 2,591   | (10,840)            |
| Trading                  | 3,748   | 1,747  | 2,001               | 119   | 196   | (77)                |
| Logistic                 | 305   | 360  | (55)                | (107)   | (43)  | NM                  |
| Investment holding       | 84  | 49   | 35                  | (293)   | (1,299)   | NM                  |
| Total                    | 103,467   | 62,479   |                     | 30,036  | 12,119  |                     |

\* NM = Non-meaningful

#### Construction Segment

For the current quarter, revenue increased to RM75.1 million as compared to RM25.2 million in the preceding year corresponding quarter. Correspondingly, with the increase in the revenue, the Segment has also recorded a profit before tax of RM36.4 million in the current quarter as compared to a loss before tax of RM0.4 million in the preceding year corresponding quarter.

The higher revenue and profit before tax for the current quarter was mainly derived from recognition of higher profit margin upon conclusion of final account.

#### Logging and Timber Trading Segment

This segment recorded a lower revenue and profit before tax of RM9.8 million and RM2.1 million respectively as compared to a revenue of RM22.5 million and profit before tax of RM11.1 million in the preceding year corresponding quarter.

The decreased in revenue and profit before tax were mostly due to lesser working block in production. In addition, it is also due to lower production as a result of poor weather conditions which affected supply.

#### Property Development Segment

This segment recorded a revenue and loss before tax of RM14.4 million and RM8.2 million respectively as compared to a revenue of RM12.6 million and profit before tax of RM2.6 million in the preceding year corresponding quarter.

For the current quarter, revenue increased by RM1.8 million as compared to the preceding year corresponding quarter. However, the profit before tax decreased by RM10.8 million which resulted in a loss before tax for the current quarter as compared to the preceding year corresponding quarter. This was mainly due to the reversal of interest expenses and other borrowing related costs of RM10.7 million which was previously being capitalized, in compliance with the amendments required in the accounting standard, MFRS 123 Borrowing Costs.

#### Trading and Logistic Segments

For the current quarter, the Trading and Logistic segments registered total revenue of RM4.1 million as compared to RM2.1 million in the preceding year corresponding quarter. However, Trading and Logistic segments registered a loss before tax for the current quarter, mainly due to lower profit margin being obtained from the trade of construction material.

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

|   | Current Year<br>Quarter<br>31/12/2019<br>(RM'000) | Immediate<br>Preceding Quarter<br>30/09/2019<br>(RM'000) | Changes<br>(%) |
|---|---|--|----------------|
| Revenue   | 103,467   | 50,393   | 105            |
| Profit/(loss) from operation                        | 41,524  | (961)  | 4421           |
| Profit/(loss) before interest and tax               | 41,392  | (1,152)  | 3692           |
| Profit/(loss) before tax                            | 30,036  | (1,848)  | 1725           |
| Profit/(loss) after tax                             | 23,243  | (2,819)  | 924            |
| Profit/(loss) attributable to Owners of the Company | 23,023  | (2,197)  | 1148           |

For the current quarter ended 31 December 2019, the Group registered a higher revenue of RM103.5 million and a profit before tax of RM30.0 million as compared to a revenue of RM50.4 million and a loss before tax of RM1.8 million in the preceding quarter ended 30 September 2019.

The increase in revenue and profit before tax was mainly derived from recognition of higher profit margin upon conclusion of final account in the Construction segment.

### **B3 Current year prospects**

The Group's Construction segment will continue to develop through financial year 2020, focusing on our current order book of approximately RM428.2 million (including RM23.2 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.

The sales of Rica Residence @ Sentul is at 74%. We are optimistic the sales will improve once the project is completed which is expected to be in second quarter of the year. On Rica Residence Puchong, the launch will be delayed further until market condition improves. In Melbourne, the sales rate is at 92% and construction works are progressing well and schedule to complete end of the year. 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 acreage 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<br>31/12/2019<br>RM'000 | 3 months ended<br>31/12/2018<br>RM'000 | 6 months ended<br>31/12/2019<br>RM'000 | 6 months ended<br>31/12/2018<br>RM'000 |
| Current period's provision                   | 5,556                                  | 3,352                                  | 6,527                                  | 5,730                                  |
| Under / (Over) provision for the prior years | 1,237                                  | -                                      | 1,237                                  | 74                                     |
|  | 6,793                                  | 3,352                                  | 7,764                                  | 5,804                                  |
| Deferred taxation                            | -                                      | 1,312                                  | -                                      | 1,312                                  |
| Under / (Over) provision for the prior years | -                                      | -                                      | -                                      | -                                      |
|  | 6,793                                  | 4,664                                  | 7,764                                  | 7,116                                  |

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 the financial quarter under review.

Investment in quoted shares as at 31 December 2019 were as follows :

**RM'000**

|                 |        |
|-----------------|--------|
| 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:-

|                       | 31 December 2019     |                     | 31 December 2018     |                     |
|-----------------------|----------------------|---------------------|----------------------|---------------------|
|                       | Short term<br>RM'000 | Long term<br>RM'000 | Short term<br>RM'000 | Long term<br>RM'000 |
| <b><u>Secured</u></b> |                      |                     |                      |                     |
| Term loan             | 19,496               | -                   | 39,954               | 23,969              |
| Hire purchase         | 1,908                | 2,520               | 1,714                | 3,961               |
| Invoice Finance       | 7,686                | -                   | 1,139                | -                   |
| Revolving Credit      | 44,900               | -                   | -                    | -                   |
|                       | <u>73,990</u>        | <u>2,520</u>        | <u>42,807</u>        | <u>27,930</u>       |

## **B10 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 31 December 2019.

## **B11 Trade receivables**

The age analysis of trade receivables is as follow :

|                      | <b>Current<br/>Quarter Ended<br/>31/12/2019<br/>RM'000</b> |
|----------------------|--|
| Not past due         | 94,693   |
| Past due:            |  |
| - less than 3 months | 3,128  |
| - 3 to 6 months      | 2,317  |
| - over 6 months      | 753  |
| - more than 1 year   | 18,103   |
|                      | <b><u>118,994</u></b>                                      |

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 31 December 2019 except as disclosed in the following:-

- a) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Tan Wee Meng (“Respondent”)**  
The Claimant had filed a Claimant’s Statement of Case dated 13 December 2019 against the Respondent for a sum of RM10,000,000.00 (“the Claim”).

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

- b) Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Shaw Plaza Sdn. Bhd. (“Respondent”)**

On 19 April 2019, the Claimant was served with a Solicitor Letter of agreeable to resolve their differences and disputes by way of arbitration proceedings to the Respondent.

The Solicitor Letter to the Respondent 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. The Claimant has indicated to the Respondent that they have a claim against the Respondent amounting to RM22.8 million, in addition to other damages, costs, interests and other expense claims.

### **B13 Dividend**

No dividend were declared for the second quarter ended 31 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<br>31/12/2019<br>RM'000 | 3 months Ended<br>31/12/2018<br>RM' 000 | 6 months Ended<br>31/12/2019<br>RM000 | 6 months Ended<br>31/12/2018<br>RM'000 |
| Net profit attributable to Owners of the Company                         | 23,023                                 | 3,773                                   | 20,826                                | 8,508                                  |
| Weighted Average Number of shares at the end of the period ('000)        | 372,812                                | 372,773                                 | 372,794                               | 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)          | 372,812                                | 492,001                                 | 372,794                               | 492,001                                |
| <b>Basic (loss) / earnings per share (sen)</b>                           | 6.18                                   | 1.01                                    | 5.59                                  | 2.28                                   |
| <b>Diluted (loss) / earnings per share (sen)</b>                         | 6.18                                   | 0.77                                    | 5.59                                  | 1.73                                   |

\* The Group has no dilution in its earnings per shares in the current financial period as the Employees' Share Option Scheme (“ESOS”) has been expired on 17 December 2019.

**B15 Profit before taxation**

|  | Current Year<br>Quarter<br>31/12/2019<br>RM'000<br>Unaudited | Current Year<br>To-date<br>31/12/2019<br>RM'000<br>Unaudited |
|--|--|--|
| Profit before tax is arrived at after charging/(crediting):- |  |  |
| Interest income  | (212)  | (430)  |
| Depreciation   | 3,365  | 6,717  |
| Interest expense   | 752  | 1,389  |
| Unrealised (gain)/loss on foreign exchange                   | (342)  | 344  |
| Unrealised (gain)/loss on investment fund                    | 5  | (10)   |

**B16 Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 27 February 2020.

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

Dato' Ir Low Keng Kok  
Chairman

Kuala Lumpur  
27 February 2020