

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 3rd Quarter Ended 31 March 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2021	Preceding Year Corresponding Quarter 31/03/2020	Changes	Current Year To Date 31/03/2021	Preceding Year Corresponding Period 31/03/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	36,266	53,114	-32	106,508	206,974	-49
Cost of Sales	(24,747)	(45,855)	-46	(65,167)	(146,675)	-56
Gross Profit	11,519	7,259	59	41,341	60,299	-31
Other Income	(190)	230		3,710	836	
Interest Income	310	240		893	670	
Operating Expenses	(3,618)	(8,085)		(15,547)	(21,597)	
Finance Costs	(259)	(550)		(535)	(12,602)	
Share of results of associates	(16)	(65)		344	(389)	
Profit/(Loss) Before Tax	7,746	(971)	898	30,206	27,217	11
Tax Expenses	(746)	7,627		(7,109)	(137)	
Profit/(Loss) for the period	7,000	6,656	5	23,097	27,080	-15
Profit/(Loss) attributable to :						
Owners of the Company	6,931	3,366	106	19,138	24,192	-21
Non-controlling interest	69	3,290	-98	3,959	2,888	37
	7,000	6,656	5	23,097	27,080	-15
Weighted average no. of shares ('000)	370,807	372,790		370,807	372,793	
Earnings per share attributable to Owners of the Company (sen)						
- Basic	1.87	0.90		5.16	6.49	
- Diluted	1.87	0.90		5.16	6.49	

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 3rd Quarter Ended 31 March 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2021	Preceding Year Corresponding Quarter 31/03/2020	Changes	Current Year To Date 31/03/2021	Preceding Year Corresponding Period 31/03/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) for the period	7,000	6,656	5	23,097	27,080	-15
Other comprehensive income/(loss) :						
Net gain on other investment						
- Gain/(loss) on fair value changes	10,759	(2,746)		33,763	(1,569)	
Foreign currency translation						
- Gain/(loss) on currency translation	11	(45)		41	(52)	
Total Comprehensive income/(loss)	17,770	3,865	360	56,901	25,459	123
Total comprehensive income/(loss) attributable to :						
Owners of the Company	17,695	597	2864	52,921	22,597	134
Non-controlling interest	75	3,268	-98	3,980	2,862	39
	17,770	3,865	360	56,901	25,459	123

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	(Unaudited)	(Audited)
	As At End of Current Quarter 31/03/2021	As At Financial Year Ended 30/06/2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	29,963	36,543
Right-of-use assets	7,481	5,396
Investment properties	44,129	44,129
Investment securities	27,928	10,601
Investment in associates	8,115	4,767
Intangible assets	216	216
Bearer plant	181	-
Other receivables & prepayments	13,555	13,543
Goodwill	7	7
	131,575	115,202
Current assets		
Inventories	117,199	113,896
Trade receivables	50,399	43,099
Other receivables	22,081	31,434
Contract Assets	2,693	26,823
Tax recoverable	5,634	7,838
Amount due from associates	32,187	30,791
Short-term investments	21,841	27,661
Fixed deposits with licensed banks	12,321	12,601
Cash and bank balances	83,898	36,044
	348,253	330,187
TOTAL ASSETS	479,828	445,389
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	194,303	194,303
Treasury shares	(1,655)	(1,655)
Other reserves	1,110	1,110
Fair value reserves	19,081	(1,222)
Foreign currency translation reserves	(692)	(714)
Retained profits	144,069	117,960
Equity attributable to owners of the Company	356,216	309,782
Non-Controlling interests	12,940	17,290
TOTAL EQUITY	369,156	327,072
Non-current liabilities		
Deferred tax liabilities	7,393	7,774
Loans and borrowings	2,744	2,502
	10,137	10,276
Current liabilities		
Loans and borrowings	43,252	29,707
Lease liability	-	-
Trade payables	26,043	36,151
Other payables	21,216	24,686
Contract liabilities	10,024	17,496
Provision of taxation	-	1
	100,535	108,041
TOTAL LIABILITIES	110,672	118,317
TOTAL EQUITY AND LIABILITIES	479,828	445,389
Net assets per share attributable to owners of the Company (RM)	0.9607	0.8354
No. of Shares issued (net of treasury shares)	370,806,692	370,806,692

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 31 MARCH 2021**

	End of Current Quarter	End of Preceding Corresponding Quarter
	31/03/2021	31/03/2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	30,206	27,217
Adjustment for :		
Amortisation of intangible assets	1	2
Depreciation on property, plant and equipment	9,128	10,083
Depreciation on right-of-use assets	1,724	-
(Gain) / Loss on disposal of property, plant and equipment	(57)	(8)
(Gain) / Loss on investment fund	(305)	(194)
Interest income	(588)	(476)
Dividend income	(367)	-
Finance costs	535	12,602
Share of results of associates	(344)	389
Unrealise (gain) / loss on foreign exchange differences	(1,995)	2,297
Unrealise (gain) / loss on investment fund	5	-
Write off of property, plant and equipment	10	-
Fair value loss on quoted investment	792	-
Operating profit before working capital changes	38,745	51,912
Change in working capital		
(Increase)/Decrease in inventories	5,056	5,305
(Increase)/Decrease in receivables	442	30,612
Increase/(Decrease) in payables	(21,868)	(2,531)
Decrease/(Increase) in contract assets/liabilities	20,009	13,941
Cash generated from / (used in) operations	42,384	99,239
Taxes paid	(5,321)	(9,784)
Interest paid	(201)	(1,949)
Net cash flow (used in)/ generated from operating activities	36,862	87,506
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	570	444
Dividend received	367	-
Additional net cash outflow for acquisition of associates	(3,005)	-
Proceeds from disposal of property, plant and equipment	57	8
Proceeds from disposal of other investment	15,645	-
Additional of right-of-use assets	(3,809)	-
Purchase of property, plant and equipment	(2,547)	(1,623)
Repayment/(Advance) to associates	(1,396)	3,193
Net cash generated from / (used in) investing activities	5,882	2,022
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(33)	(106)
Dividends paid on ordinary shares	(6,489)	(5,592)
Dividend paid by subsidiary to non controlling interest	(8,330)	(6,615)
Acquisition of treasury shares	-	(88)
Proceeds from exercise of warrants	-	28
Proceeds from hire purchase	2,934	112
Repayment of lease liabilities	(436)	-
Repayment of hire purchase	(1,666)	(1,350)
(Repayment)/Drawdown of loan and borrowings	13,779	4,058
Net cash generated from / (used in) financing activities	(241)	(9,553)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL	42,503	79,975
Effect of exchange rate changes on cash and cash equivalents	74	(84)
CASH AND BANK BALANCES AS AT 1 JULY	75,483	51,611
CASH AND BANK BALANCES AS AT 31 MARCH	118,060	131,502
Less Fixed deposit under lien	(12,321)	(12,513)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	105,739	118,989

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

FAJARBARU BUILDER GROUP BHD (281645-U)

**Unaudited Consolidated Statement of Changes in Equity
For the 3rd Quarter Ended 31 March 2021**

	Share Capital (RM'000)	Treasury Shares (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2020	194,303	(1,655)	1,110	-	-	(1,222)	(714)	117,960	309,782	17,290	327,072
Total comprehensive income/(loss) for the year	-	-	-	-	-	33,763	22	19,138	52,923	3,980	56,903
Transactions with owners											
Dividends	-	-	-	-	-	-	-	(6,489)	(6,489)	(8,330)	(14,819)
Disposal of quoted investment						(13,460)	-	13,460	-	-	-
As at 31 March 2021	<u>194,303</u>	<u>(1,655)</u>	<u>1,110</u>	<u>-</u>	<u>-</u>	<u>19,081</u>	<u>(692)</u>	<u>144,069</u>	<u>356,216</u>	<u>12,940</u>	<u>369,156</u>
As at 1 July 2019	194,275	(1,141)	1,110	7,674	2,628	(1,616)	(716)	92,085	294,299	20,181	314,480
Total comprehensive income for the year	-	-	-	-	-	(1,568)	(27)	24,192	22,597	2,862	25,459
Transactions with owners											
Dividends	-	-	-	-	-	-	-	(5,592)	(5,592)	(6,615)	(12,207)
Share dividend	-	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased	-	(88)	-	-	-	-	-	-	(88)	-	(88)
Issue of ordinary shares:											
- pursuant to warrant exercised	28	-	-	-	-	-	-	-	28	-	28
Warrant expired	-	-	-	(7,674)	-	-	-	7,674	-	-	-
Share based payments:											
- ESOS lapsed	-	-	-	-	(2,628)	-	-	2,628	-	-	-
As at 31 March 2020	<u>194,303</u>	<u>(1,229)</u>	<u>1,110</u>	<u>-</u>	<u>-</u>	<u>(3,184)</u>	<u>(743)</u>	<u>120,987</u>	<u>311,244</u>	<u>16,428</u>	<u>327,672</u>

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

Notes to the Interim Financial Report

A1 Basis of preparation

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

A2 Changes of accounting policies

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

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

Amendments to MFRS 3: Definition of a Business

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

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

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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

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

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

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

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

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

A3 Audit Report of Preceding Annual Financial Statements

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

A4 Seasonal or cyclical factors

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

A5 Unusual items

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

A6 Changes in estimates

Not applicable.

A7 Significant related party transactions

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

A8 Movement in debt and equity securities

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

The details of shares held as treasury shares for the period ended 31 March 2021 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 December 2020	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 31 March 2021	3,075,764	1,654,910

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

A9 Dividend paid

There were no dividend paid during the current quarter.

A10 Carrying Amount of revalued property, plant and equipment

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

A11 Segmental reporting

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

9 months ended 31.03.21	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
<u>Revenue</u>									
External Sales	56,103	20,186	30,055	379	1,050	391	-	(1,656)	106,508
Inter-segment sales	5,083	-	-	10,027	-	11,211	-	(26,321)	-
Total revenue	<u>61,186</u>	<u>20,186</u>	<u>30,055</u>	<u>10,406</u>	<u>1,050</u>	<u>11,602</u>	<u>-</u>	<u>(27,977)</u>	<u>106,508</u>
<u>Results</u>									
Profit/(Loss) from operation	4,804	27,063	18,246	(378)	(49)	10,502	(96)	(29,695)	30,397
Finance costs	(460)	(6)	(19)	(29)	(21)	-	-	-	(535)
Share of results in associates	-	350	(6)	-	-	-	-	-	344
Profit/(Loss) before tax	<u>4,344</u>	<u>27,407</u>	<u>18,221</u>	<u>(407)</u>	<u>(70)</u>	<u>10,502</u>	<u>(96)</u>	<u>(29,695)</u>	<u>30,206</u>
<u>Total assets</u>									
Segment assets/ Consolidated total assets	<u>169,594</u>	<u>29,923</u>	<u>184,370</u>	<u>6,914</u>	<u>848</u>	<u>476,846</u>	<u>654</u>	<u>(389,321)</u>	<u>479,828</u>

9 months ended 31.03.20	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
Revenue									
External Sales	128,111	24,884	41,054	10,533	933	200	-	1,259	206,974
Inter-segment sales	28,113	-	-	9,713	-	9,165	-	(46,991)	-
Total revenue	156,224	24,884	41,054	20,246	933	9,365	-	(45,732)	206,974
Results									
Profit/(Loss) from operation	33,677	19,221	3,130	118	(140)	4,301	-	(20,099)	40,208
Finance costs	(1,786)	(14)	(10,760)	(3)	(39)	-	-	-	(12,602)
Share of results in associates	-	(389)	-	-	-	-	-	-	(389)
Profit/(Loss) before tax	31,891	18,818	(7,630)	115	(179)	4,301	-	(20,099)	27,217
Total assets									
Segment assets/ Consolidated total assets	230,142	36,439	161,813	11,660	1,123	425,615	-	(370,071)	496,721

A12 Events subsequent to the balance sheet date

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

A13 Changes in composition of the Group

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

A14 Capital commitments

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

<u>Property, Plant & Equipment</u>	31 March 2021 RM'000
Approved and contracted for	
- Denominated in RM	5,194

A15 Changes in contingent liabilities

	The Group		The Company	
	As at 31.03.21 RM'000	As at 30.06.20 RM'000	As at 31.03.21 RM'000	As at 30.06.20 RM'000
Performance and tender bond granted to contract customers	46,700	54,993	-	-

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

B1 Review of performance

	Individual Period (3rd quarter)			Cumulative Period		
	Current Year Quarter 31/03/2021 (RM'000)	Preceding Year Corresponding Quarter 31/03/2020 (RM'000)	Changes (%)	Current Year To-date 31/03/2021 (RM'000)	Preceding Year Corresponding Period 31/03/2020 (RM'000)	Changes (%)
Revenue	36,266	53,114	(32)	106,508	206,974	(49)
Profit/(loss) from operation	8,022	(357)	2350	30,398	40,208	(24)
Profit/(loss) before interest and tax	8,005	(421)	2002	30,741	39,819	(23)
Profit/(loss) before tax	7,746	(971)	898	30,206	27,217	11
Profit/(loss) after tax	7,000	6,656	5	23,097	27,080	(15)
Profit/(loss) attributable to Owners of the Company	6,931	3,366	106	19,138	24,192	(21)

The Group recorded a lower revenue of RM36.27 million in the current quarter as compared to RM53.11 million in the preceding year corresponding quarter. The Group's profit before tax was RM7.75 million in the current quarter as compared to a loss before tax of RM0.97 million in the preceding year corresponding quarter. The lower revenue was across the Group's segments except for the Property Development segment. The increase in profit before tax was mainly due to the Property Development segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 March 2021 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 31/03/2021 (RM'000)	Preceding Year Corresponding Quarter 31/03/2020 (RM'000)	Changes (RM'000)	Current Year Quarter 31/03/2021 (RM'000)	Preceding Year Corresponding Quarter 31/03/2020 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	18,589	30,727	(12,138)	(1,222)	(2,967)	NM
Logging & timber trading	-	9,754	(9,754)	(344)	4,436	(4,780)
Property development	17,103	7,463	9,640	10,755	87	10,668
Trading	36	4,816	(4,780)	(49)	103	(152)
Logistic	175	322	(147)	(139)	(137)	NM
Investment holding	363	32	331	(1,180)	(2,493)	NM
Plantation	-	-	-	(75)	-	(75)
Total	36,266	53,114		7,746	(971)	

* NM = Non-meaningful

Construction Segment

For the current quarter, revenue decreased to RM18.59 million as compared to RM30.73 million in the preceding year corresponding quarter. The segment recorded a lower loss before tax of RM1.22 million in the current quarter as compared to a loss before tax of RM2.97 million in the preceding year corresponding quarter.

The lower revenue and loss before tax for the current quarter were mainly due to KTMB's rail track rehabilitation project (Jerantut-Gua Musang) already in its completion stage and hence lesser work progress. Restrictions due to Movement Control Order (MCO) have also slowed down work progress in other projects.

Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded no revenue for the current quarter as compared to a revenue of RM9.75 million in the preceding year corresponding quarter. There was a loss before tax of RM0.34 million in the current quarter as compared to a profit before tax of RM4.43 million in the preceding year corresponding quarter.

The segment recorded no sales for the current quarter due to the end of production for the current block and the new block is pending permit approval, and as such, the segment recorded no revenue in the current quarter. The loss before tax for the current quarter was due to fixed overhead expenditures.

Property Development Segment

The Property Development segment recorded a revenue of RM17.10 million in the current quarter as compared to a revenue of RM7.46 million in the preceding year corresponding quarter. The profit before tax was RM10.76 million as compared to a profit before tax of RM0.09 million in the preceding year corresponding quarter.

The increase in revenue and profit before tax in the current quarter were mainly derived from the recognition of final stages of work done for Rica Residence @ Sentul. Additionally, it has obtained Certificate of Completion and Compliance (CCC) in February 2021 and issued Notice of Vacant Possession to its purchasers on 10 March 2021.

Trading and Logistic Segments

The Trading segment registered a revenue of RM0.04 million as compared to RM4.82 million in the preceding year corresponding quarter. The segment recorded a loss before tax of RM0.05 million as compared to a profit before tax of RM 0.10 million in the preceding year corresponding quarter. The lower revenue and loss before tax for the current quarter was due to lower procurement from the construction segment and low profit margins obtained from the trading of construction materials respectively.

The Logistic segment registered a revenue of RM0.18 million as compared to RM0.32 million in the preceding year corresponding quarter. It recorded a loss before tax of RM0.14 million in the current quarter and in the previous quarter it also recorded a loss of RM0.14 million. The decrease in revenue was in concurrence with the decrease in logging activities in the Logging and Timber Trading segment as the Logistic segment provides services to this segment.

B2 Variation of result against preceding quarter

	Current Year Quarter 31/03/2021 (RM'000)	Immediate Preceding Quarter 31/12/2020 (RM'000)	Changes (%)
Revenue	36,266	20,969	73
Profit/(loss) from operation	8,022	9,780	(18)
Profit/(loss) before interest and tax	8,005	9,520	(16)
Profit/(loss) before tax	7,746	9,374	(17)
Profit/(loss) after tax	7,000	6,842	2
Profit/(loss) attributable to Owners of the Company	6,931	6,395	8

In the current quarter for 31 March 2021, the Group registered a higher revenue of RM36.27 million and a lower profit before tax of RM7.75 million as compared to a revenue of RM20.97 million and a profit before tax of RM9.37 million in the preceding quarter ended 31 December 2020.

The increase in revenue was derived from the recognition of final stages of work done for Rica Residence @ Sentul in the Property Development segment. The profit before tax in the preceding quarter was higher as compared to current quarter mainly due to the finalization of account from the Construction segment in the preceding quarter which did not recur in the current quarter.

B3 Current year prospects

The Malaysian GDP is expected to contract by 4.5% in 2020 and subsequently rebound between 6.5% and 7.5% in 2021 according to the Ministry of Finance Malaysia. The government has also announced several stimulus packages totalling RM305 billion to support both households and businesses and reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of 2021, cushioning the significant contraction in the first half of the year.

The construction sector is expected to rebound by 13.9% in 2021 with the acceleration and revival of major infrastructure projects, coupled with affordable housing projects as mentioned by the Ministry of Finance with civil engineering subsector continuing to be the main driver of the construction sector. Among the major infrastructure projects include the Mass Rapid Transit 2 (MRT2), Light Rail Transit 3 (LRT3), West Coast Expressway (WCE) and Bayan Lepas Light Rail Transit (LRT) as well as Pan Borneo and Coastal Highways in Sarawak. The Group's Construction segment will focus on our current order book of approximately RM354.0 million and continue its effort to bid for future rail construction and infrastructure works.

The Malaysian property market activity saw volume and value of transactions contracted sharply in the second quarter of 2020. The property market showed signs of recovery in the third quarter of 2020 following the implementation of Recovery Movement Control Order (RMCO) and various stimulus provided by the government, namely Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA).

For the Group's Property Development segment in Malaysia, its maiden project Rica Residence @ Sentul was handed over to purchasers on 10 March 2021 and this is still in progress. The launch of Rica Residence @ Kinrara project is planned for second half of 2021, subject to market conditions. In Australia, the Group's second property development project in Melbourne, the Paragon has completed and is pending handover to purchasers. Additionally, the Group is currently scheduling the launch of its third property development in Northcote, Melbourne towards middle of 2021.

The timber and timber products industry recorded an export value of RM22.02 billion in 2020, a decline of only 2.0%, compared with RM22.5 billion in 2019 according to The Ministry of Plantation Industries and Commodities. Export value of timber products started to increase on a monthly basis from May to December 2020 during the economic recovery phase. For 2021, Malaysia's export of timber and timber products is expected to reach RM23 billion.

The Logging and Timber Trading segment will continue to contribute to the Group's revenue when permit of work for the new blocks is approved. Furthermore, the Group has approximately 14,000 acres left of working block from our associate company yet to be logged and this will continue to contribute to the Group's earnings in the future.

For the durian plantation industry, the Federal Agricultural Marketing Authority (FAMA) anticipates that durian yield will be lower than normal in 2020 due to a number of factors, Malaysia experiencing high volumes of rainfall combined with a reduced labour force due to restrictions in place to curb the spread of COVID-19. However, the long term prospects for durian supply remains positive as national durian production is expected to increase to 443.0 thousand metric tonnes by 2030 at a compound annual growth rate ("CAGR") of 2.2% between 2019 and 2030.

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

The Group will continue to bid for potential infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, we are in a good position to bid for such jobs. Additionally, the Group is looking into expanding its local property development footprints in the Klang Valley once the economy fully reopens. Although the Group's operations have been affected due to the MCO, we will continue to explore more business opportunities and capitalise our strengths to generate sustainable revenue from its existing or new businesses. We envisage the Group to achieve satisfactory results for the year and will work towards the goal to enhance the performance and value of Fajarbaru.

B4 **Profit forecast**
Not applicable.

B5 Profit guarantee

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

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

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/03/2021 RM'000	3 months ended 31/03/2020 RM'000	9 months ended 31/03/2021 RM'000	9 months ended 31/03/2020 RM'000
Current period's provision	1,167	(2,967)	7,530	3,560
Under / (Over) provision for the prior years	(421)	(4,660)	(421)	(3,423)
	746	(7,627)	7,109	137
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	746	(7,627)	7,109	137

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

A disposal of quoted securities-Warrants of 8,059,700 units for RM764,430.18 and quoted share of 19,781,400 units for RM9,505,833.55 during current quarter.

Investment in quoted shares as at 31 March 2021 were as follows :

	RM'000
At cost	8,846
At market value	27,928

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:-

<u>Secured</u>	31 March 2021		31 March 2020	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
Term loan	-	-	12,151	-
Lease liabilities	-	482	-	-
Hire purchase	2,788	2,262	1,908	2,105
Invoice Finance	464	-	4,317	-
Revolving Credit	40,000	-	44,900	-
	<u>43,252</u>	<u>2,744</u>	<u>63,276</u>	<u>2,105</u>

B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 March 2021.

B11 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 31/03/2021 RM'000
Not past due	35,659
Past due:	
- less than 3 months	2,682
- 3 to 6 months	788
- over 6 months	-
- more than 1 year	11,270
	<u>50,399</u>

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

B12 Material litigation

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 31 March 2021 except as disclosed in the following:-

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

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

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

1. the Respondent shall pay to the Claimant within 14 days from 23 February 2021:
 - (a) the sum of RM10,000,000.00; and
 - (b) the amount awarded at paragraph 1(a) above or in the event of part payment by the due date, the outstanding balance thereof shall be subjected to the addition of simple interest at 5% per annum from the date of this award to the date of payment; and
2. the Respondent shall pay and/or reimburse all the legal costs and expenses, the Arbitrator's fees and the Asian International Arbitration Centre (AIAC) booking fees to the Claimant.

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

The Claimant is now taking steps to enforce the Final Award against the Respondent.

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

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

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

The Claimant is claiming for the sum of RM22,797,715.97 under the Final Account.

The Respondent is counter-claiming against the Claimant for the sums of RM9,179,842.03.

The Directors are of the view that the Claimant has a reasonable chance of success against the Respondent.

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

The arbitration is fixed for Hearing between 18 October 2021 and 12 November 2021.

B13 Dividend

No dividend were declared for the third quarter ended 31 March 2021.

B14 Earnings per share

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

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/03/2021 RM'000	3 months Ended 31/03/2020 RM' 000	9 months Ended 31/03/2021 RM000	9 months Ended 31/03/2020 RM'000
Net profit attributable to Owners of the Company	6,931	3,366	19,138	24,192
Weighted Average Number of shares at the end of the period ('000)	370,807	372,790	370,807	372,793
Basic earnings per share (sen)	1.87	0.90	5.16	6.49

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

B15 Profit before taxation

	Current Year Quarter 31/03/2021 RM'000 Unaudited	Current Year To-date 31/03/2021 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(310)	(893)
Depreciation	2,995	9,128
Interest expense	249	502
Write off of property, plant and equipment	10	10
(Gain)/Loss on disposal of property, plant & equipment	(12)	(57)
Unrealised (gain)/loss on foreign exchange	(586)	(1,995)
Unrealised (gain)/loss on investment fund	(4)	1
Reversal of gain on disposal of quoted Warrants	1,666	-

B16 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 21 May 2021.

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

Tan Sri Chan Kong Choy
Chairman

Kuala Lumpur
21 May 2021