

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. No. +603-2783 9299).

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF (collectively, the "**Documents**") has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 6 September 2021. Approval has been obtained from Bursa Securities via its letter dated 10 May 2021 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants and the new FBG Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants, and shall not be taken as an indication of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for all the said new securities will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders, their renounees and/ or transferees (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Documents are only despatched to the Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Thursday, 23 September 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdiction other than the laws of Malaysia. Entitled Shareholders, their renounees and/ or transferees (if applicable) who are residents in countries or jurisdiction other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants would result in a contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders, their renounees and/ or transferees (if applicable) should note the additional terms and restrictions as set out in Section 10.11 of this Abridged Prospectus. Neither we, UOBKH nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares with Warrants made by the Entitled Shareholders, their renounees and/ or transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



FAJARBARU BUILDER GROUP BHD

Registration No. 199301026907 (281645-U)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 373,882,456 NEW ORDINARY SHARES IN FAJARBARU BUILDER GROUP BHD ("FBG") ("FBG SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING FBG SHARE HELD AS AT 5.00 P.M. ON THURSDAY, 23 SEPTEMBER 2021, TOGETHER WITH UP TO 373,882,456 FREE DETACHABLE WARRANTS IN FBG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ("RIGHTS ISSUE WITH WARRANTS")

Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd

Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Thursday, 23 September 2021 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Thursday, 30 September 2021 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Monday, 4 October 2021 at 4.30 p.m.
Last date and time for acceptance and payment	: Friday, 8 October 2021 at 5.00 p.m.
Last date and time for excess application and payment	: Friday, 8 October 2021 at 5.00 p.m.

This Abridged Prospectus is dated 23 September 2021

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

UOBKH, BEING OUR ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	: This abridged prospectus dated 23 September 2021 in relation to the Rights Issue with Warrants
Act	: Companies Act 2016
Board	: Board of Directors of FBG
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CDS	: Central Depository System governed under the SICDA
CDS Account	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
Closing Date	: At 5.00 p.m. on Friday, 8 October 2021, being the last date and time for the acceptance of and payment for the Provisional Rights Shares with Warrants and the Excess Application
CMSA	: Capital Markets And Services Act 2007 of Malaysia
COVID-19	: Coronavirus disease 2019
Deed Poll	: Deed poll dated 8 September 2021 constituting the Warrants executed by FBG
Director(s)	: Directors of FBG and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
Documents	: This Abridged Prospectus together with the NPA and RSF, collectively
EGM	: Extraordinary general meeting of FBG held on 6 September 2021
Entitled Shareholder(s)	: Shareholders whose names appear in the Record of Depositors of FBG as at the close of business on the Entitlement Date
Entitlement Date	: At 5.00 p.m. on Thursday, 23 September 2021, being the time and date on which the names of our shareholders must appear in the Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
EPS	: Earnings per Share
Excess Application	: Application for Excess Rights Shares with Warrants as set out in Section 10.9 of this Abridged Prospectus

DEFINITIONS (CONT'D)

Excess Rights Shares with Warrants	:	Rights Shares with Warrants which are not taken up or not validly taken up by Entitled Shareholders, their renounees and/ or transferees (if applicable) by the Closing Date
e-Subscription	:	Method available for Entitled Shareholders to subscribe for the Provisional Rights Shares with Warrants and to apply for the Excess Rights Shares with Warrants electronically via TIIH Online
FBG	:	Fajarbaru Builder Group Bhd (Registration No. 199301026907 (281645-U))
FBG Group or our Group	:	FBG and its subsidiaries, collectively
FBG Share(s) or Share(s)	:	Ordinary share(s) in FBG
Foreign Entitled Shareholder(s)	:	Entitled Shareholders who do not have a registered address or an address for service in Malaysia as registered in the Record of Depositors of FBG on the Entitlement Date
FPE	:	Financial period ended/ ending
FYE	:	Financial year ended/ ending
GDC	:	Gross development cost
GDV	:	Gross development value
GP	:	Gross profit
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 August 2021, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	:	7 September 2021, being the last Market Day immediately preceding the Price-Fixing Date
Market Day(s)	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maximum Scenario	:	Assuming all treasury shares are resold at cost in the open market and all Entitled Shareholders, renounees and/ or transferees fully subscribe for their respective entitlements under the Rights Issue with Warrants
MCO	:	Movement Control Order implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic
Minimum Scenario	:	Assuming all treasury shares are retained and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level, which is backed by the Undertaking provided by the Undertaking Shareholder

DEFINITIONS (CONT'D)

Minimum Subscription Level	:	Minimum subscription level of 28,260,600 Rights Shares together with Warrants the Undertaking Shareholder to raise the minimum amount of RM2,826,060, which is based on the minimum level of funds that FBG intends to raise from the Rights Issue with Warrants
NA	:	Net assets attributable to the owners of FBG
NPA	:	Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAT	:	Profit after taxation
PBT/ (LBT)	:	Profit before taxation/ loss before taxation
Price-Fixing Date	:	8 September 2021, being the date on which our Board fixed the issue price of the Rights Shares and the exercise price of the Warrants
Providence or Independent Market Researcher	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
Provisional Rights Shares with Warrants	:	Rights Shares with Warrants provisionally allotted to the Entitled Shareholders
Record of Depositors	:	A record of security holders provided by Bursa Depository to FBG under of the Rules of Bursa Depository
Registered Entitled Shareholder(s)	:	Entitled Shareholders who are the registered users of TIIH Online
Rights Issue with Warrants	:	Renounceable rights issue of up to 373,882,456 Right Shares on the basis of 1 Rights Share for every 1 existing FBG Share held on the Entitlement Date, together with up to 373,882,456 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for at an issue price of RM0.10 per Rights Share
Rights Share(s)	:	Up to 373,882,456 new FBG Shares to be issued at an issue price of RM0.10 per Right Share pursuant to the Rights Issue with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights Subscription Form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Registrar or Tricor	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
SICDA	:	Securities Industry (Central Depository) Act 1991

DEFINITIONS (CONT'D)

Tan Sri Kuan or Undertaking Shareholder	:	Deputy Chairman cum substantial shareholder of FBG, namely Tan Sri Kuan Peng Ching @ Kuan Peng Soon
TERP	:	Theoretical ex-rights price
TIIH Online	:	Tricor's proprietary owned application to facilitate Entitled Shareholders to subscribe for the Provisional Rights Shares with Warrants and to apply for the Excess Rights Shares with Warrants via e-Subscription
Undertaking	:	In order to meet the Minimum Subscription Level, the Undertaking Shareholder, had vide a letter dated 15 April 2021, provided his irrevocable and unconditional undertaking to subscribe in full for his entitlement to the Rights Shares at no less than the minimum issue price of RM0.10 per Rights Share based on his shareholding in FBG as at the Entitlement Date. The Undertaking Shareholder has also undertaken that he will not dispose any FBG Shares prior to the Entitlement Date, and will subscribe for any additional Rights Shares entitlement based on the Entitlement Date in the event he increases his shareholding in FBG
UOBKH or the Adviser	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
USD	:	United States Dollar
VWAP	:	Volume weighted average market price
Warrant(s)	:	Up to 373,882,456 free detachable warrants in FBG with a tenure of 5 years to be issued at an exercise price of RM0.43 per Warrant pursuant to the Rights Issue with Warrants

All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, shall include our subsidiaries. All references to "you" in this Abridged Prospectus are made to the Entitled Shareholders and/ or, where the context otherwise requires, their renounees and/ or transferees (if applicable).

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day and date in this Abridged Prospectus shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Abridged Prospectus between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted.

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ADVISERS' DIRECTORY

- COMPANY SECRETARIES** : Tan Kok Aun
(SSM PC No. 201908003805) (MACS 01564)
- Nip Chee Sien
(SSM PC No. 202008003954) (MAICSA 7066996)
- No. 1 & 1A, 2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur
- Tel. No.: 03-4043 5750
Fax. No.: 03-4043 5755
- PRINCIPAL ADVISER** : UOB Kay Hian Securities (M) Sdn Bhd
- Suite 19-03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
- Tel. No.: 03-2147 1900
Fax. No.: 03-2147 1950
- DUE DILIGENCE SOLICITORS** : Messrs BB Teh Advocates & Solicitors
- No. 22-2, Jalan Telawi 2
Bangsar Baru
59100 Kuala Lumpur
- Tel. No.: 03-2287 1613
Fax. No.: 03-2287 3613
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
- Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
- Tel. No.: 03-2783 9299
Fax. No.: 03-2783 9222
- INDEPENDENT RESEARCHER** **MARKET** : Providence Strategic Partners Sdn Bhd
- Elizabeth Dhoss
Bachelor of Business Administration from the University of Malaya
- 67-1, Block D, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor
- Tel. No.: 03-7625 1769
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

THIS SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Key information	Summary																												
Basis and number of Rights Shares and Warrants to be issued	<p>The Rights Issue with Warrants entails an issuance of up to 373,882,456 Rights Shares on the basis of 1 Rights Share for every 1 existing FBG Share held on the Entitlement Date, together with up to 373,882,456 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for at an issue price of RM0.10 per Rights Share.</p> <p>Further details are set out in Section 2.1 of this Abridged Prospectus.</p>																												
Issue price of the Rights Shares	<p>RM0.10 per Rights Share.</p> <p>Further details are set out in Section 2.2 of this Abridged Prospectus.</p>																												
Exercise price of the Warrants	<p>RM0.43 per Warrants.</p> <p>Further details are set out in Section 2.3 of this Abridged Prospectus.</p>																												
Undertaking	<p>The Rights Issue with Warrants is undertaken on the Minimum Subscription Level based on the undertaking provided by Tan Sri Kuan to subscribe in full for his entitlement to the Rights Shares based on his shareholding as at the Entitlement Date.</p> <p>Further details are set out in Section 3 of this Abridged Prospectus.</p>																												
Utilisation of proceeds	<table border="1"> <thead> <tr> <th></th> <th>Timeframe for utilisation from completion</th> <th>Minimum Scenario RM'000</th> <th>Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>Existing and/ or future construction projects</td> <td>Within 18 months</td> <td>2,226 (78.77%)</td> <td>10,000 (26.75%)</td> </tr> <tr> <td>Future property development projects</td> <td>Within 24 months</td> <td>-</td> <td>10,000 (26.75%)</td> </tr> <tr> <td>Business expansion and/ or future viable investment for logging & timber trading, and plantation segments</td> <td>Within 24 months</td> <td>-</td> <td>15,000 (40.12%)</td> </tr> <tr> <td>Working capital requirements</td> <td>Within 6 months</td> <td>-</td> <td>1,788 (4.78%)</td> </tr> <tr> <td>Defrayment of estimated expenses</td> <td>Upon completion</td> <td>600 (21.23%)</td> <td>600 (1.60%)</td> </tr> <tr> <td>Total</td> <td></td> <td>2,826</td> <td>37,388</td> </tr> </tbody> </table> <p>Further details are set out in Section 4 of this Abridged Prospectus.</p>		Timeframe for utilisation from completion	Minimum Scenario RM'000	Maximum Scenario RM'000	Existing and/ or future construction projects	Within 18 months	2,226 (78.77%)	10,000 (26.75%)	Future property development projects	Within 24 months	-	10,000 (26.75%)	Business expansion and/ or future viable investment for logging & timber trading, and plantation segments	Within 24 months	-	15,000 (40.12%)	Working capital requirements	Within 6 months	-	1,788 (4.78%)	Defrayment of estimated expenses	Upon completion	600 (21.23%)	600 (1.60%)	Total		2,826	37,388
	Timeframe for utilisation from completion	Minimum Scenario RM'000	Maximum Scenario RM'000																										
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Total		2,826	37,388																										
Rationale	<ul style="list-style-type: none"> ○ To strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility. ○ To enable the issuance of new FBG Shares without diluting our shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants. 																												

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Key information	Summary
	<ul style="list-style-type: none"> ○ To provide our Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of FBG Group by subscribing to the Rights Shares. ○ To meet our fundraising objectives as set out in Section 4 of this Abridged Prospectus. <p>Further details are set out in Section 5 of this Abridged Prospectus.</p>
Risk factors	<p>: You should consider, amongst others, the following risk factors before subscribing for or investing in the Rights Issue with Warrants.</p> <ul style="list-style-type: none"> ○ Our property development business is subject to dependence on the performance of the property market, risk of property overhang, our ability to identify and acquire suitable land banks, intense competition among property developers and risk of delay in the completion of our project development projects. ○ Our construction business is subject to shortage and/ or fluctuation in prices of raw materials, dependence on award of new contracts, credit risk, risk of delay in the completion of our construction projects, and performance of our appointed subcontractors. ○ Our logging and timber trading business is subject to business and operational risks inherent in the timber industry such as severe weather conditions, constraint in labour supply, changes in general economic condition and negative publicity on environmental-related matters, as well as also our ability to renew/ obtain the required licences and permits, and fluctuation in selling prices of logs. ○ Our durian plantation business is subject to business and operational risks inherent in the durian industry such as adverse changes in supply and demand conditions, outbreaks of diseases, damage from pests, fire or other natural disasters, adverse climate conditions, downturns in the global, regional and/ or national economies, increase in labour cost and other production costs, constraint in labour supply, as well as volatility in durian prices, and competition among existing and new durian farmers/operators. ○ The market price of our Shares is influenced by the prevailing market sentiments, volatility of the equity markets, the outlook of the industries we operate in and our financial performance. Accordingly, there can be no assurance that the market price of the Rights Shares will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares. <p>Further details are set out in Section 6 of this Abridged Prospectus.</p>
Procedures for acceptance and payment	<p>: You may subscribe for the Provisional Rights Shares with Warrants and the Excess Application, if you choose to do so, using either RSF or e-Subscription via TIH Online website at https://tiih.online. The last date and time for acceptance and payment is on Friday, 8 October 2021 at 5.00 p.m.</p> <p>The Rights Issue with Warrants is renounceable in full or in part. Accordingly, our Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants.</p> <p>Further details are set out in Section 10 of this Abridged Prospectus.</p>



FAJARBARU BUILDER GROUP BHD

Registration No. 199301026907 (281645-U)
(Incorporated in Malaysia)

Registered Office

No. 1 & 1A, 2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur, Malaysia

23 September 2021

Board of Directors

Tan Sri Chan Kong Choy (*Independent Non-Executive Chairman*)
Tan Sri Kuan Peng Ching @ Kuan Peng Soon (*Non-Independent Non-Executive Deputy Chairman*)
Dato' Sri Kuan Khian Leng (*Group Chief Executive Officer*)
Datuk Seri Lau Kuan Kam (*Group Executive Director*)
Ir. Kong Kam Loong (*Group Executive Director*)
Dato' Ismail Bin Haji Omar (*Independent Non-Executive Director*)
Dato' Lim Siew Mei (*Non-Independent Non-Executive Director*)
Ooi Leng Chooi (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 373,882,456 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING FBG SHARE HELD AS AT 5.00 P.M. ON THURSDAY, 23 SEPTEMBER 2021, TOGETHER WITH UP TO 373,882,456 FREE DETACHABLE WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE

1. INTRODUCTION

On 15 April 2021, UOBKH had, on behalf of our Board, announced that we proposed to undertake the Rights Issue with Warrants.

Subsequently, on 11 May 2021, UOBKH had, on behalf of our Board, announced that Bursa Securities had on 10 May 2021, resolved to approve the following:-

- i. admission of the Warrants to the Official List;
- ii. listing of and quotation for up to 373,882,456 Rights Shares and up to 373,882,456 Warrants pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities; and
- iii. listing of and quotation for up to 373,882,456 new FBG Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

subject to the conditions set out below:-

Conditions	Status of compliance
a. FBG and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be complied with throughout the implementation of the Rights Issue with Warrants, where applicable
b. FBG and UOBKH to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied upon the completion of the Rights Issue with Warrants
c. UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms & conditions of Bursa Securities approval once the Rights Issue with Warrants is completed; and	To be complied upon the completion of the Rights Issue with Warrants
d. FBG to furnish Bursa Securities on a quarterly basis a summary of the total number of new ordinary shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of the listing fees payable.	Our Board and FBG will ensure compliance

On 6 September 2021, our shareholders had approved the Rights Issue with Warrants at the EGM convened.

Subsequently, on 8 September 2021, UOBKH had, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or UOBKH.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

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2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Basis and number of Rights Shares and Warrants to be issued

The Rights Issue with Warrants entails an issuance of up to 373,882,456 Rights Shares on the basis of 1 Rights Share for every 1 existing FBG Share held, together with up to 373,882,456 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for by the Entitled Shareholders whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date.

As at the LPD, the issued share capital of FBG is RM194,302,598 comprising 373,882,456 FBG Shares (including 3,075,764 treasury shares). In the event that all treasury shares are resold in the open market prior to the Entitlement Date and that all Entitled Shareholders, their renounees and/ or transferees fully subscribe for their entitlements under the Rights Issue with Warrants, a total of up to 373,882,456 Rights Shares and 373,882,456 Warrants will be issued. In addition, a total of up to 373,882,456 new FBG Shares will be issued upon the full exercise of 373,882,456 Warrants over the tenure of the Warrants.

The Rights Issue with Warrants will be undertaken on a Minimum Subscription Level basis, after taking into consideration the minimum level of funds we intend to raise from the Rights Issue with Warrants amounting to RM2,826,060, which will be channelled towards the proposed utilisation of proceeds as set out in Section 4 of this Abridged Prospectus. In order to meet the Minimum Subscription Level, Tan Sri Kuan had vide a letter dated 15 April 2021 provided his irrevocable undertaking to subscribe in full for his entitlement to the Rights Shares based on his shareholding in FBG as at the Entitlement Date. Further details of the Undertaking are set out in Section 3 of this Abridged Prospectus.

The actual number of Rights Shares and Warrants to be issued will depend on the total issued FBG Shares as at the Entitlement Date, and the eventual subscription rate of the Rights Issue with Warrants.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll, as may be supplemented from time to time.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

In determining the entitlements of the Entitled Shareholders under the Rights Issue with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its sole and absolute discretion deem fit or expedient and in the best interest of our Company.

The Rights Shares together with Warrants which are not taken up or validly taken up shall be made available for Excess Application by the other Entitled Shareholders, their renounees and/ or transferees. Our Board intends to allocate the Excess Rights Shares with Warrants in a fair and equitable manner in accordance with the procedures set out in Section 10.9 of this Abridged Prospectus.

2.2 Basis of determining and justification for the issue price of the Rights Shares

The issue price of RM0.10 per Rights Share has been fixed by our Board after taking into consideration, amongst others, the following:-

- i. FBG Group's funding requirements of raising the minimum gross proceeds of RM2.83 million under the Minimum Scenario for purposes as set out in Section 4 of this Abridged Prospectus;
- ii. The prevailing market conditions and market prices of FBG Shares. The issue price of RM0.10 per Rights Share represents a discount of approximately 76.74% to the TERP, computed based on the 5-day VWAP of FBG Shares up to and including the LTD of RM0.43. In addition, the issue price also represents the following discount to the respective TERPs based on the respective VWAPs of FBG Shares as follows:-

Up to and including the LTD	VWAP RM	TERP RM	Discount to the TERP	
			RM	%
5-day VWAP/ TERP	0.76	0.430	0.330	76.74
1-month VWAP/ TERP	0.75	0.425	0.325	76.47
3-month VWAP/ TERP	0.75	0.425	0.325	76.47
6-month VWAP/ TERP	0.75	0.425	0.325	76.47
12-month VWAP/ TERP	0.64	0.370	0.270	72.97

(Source: Bloomberg Finance Singapore L.P.)

- iii. Notwithstanding the Rights Issue with Warrants is undertaken on the Minimum Subscription Level, it is the intention of our Company to raise the maximum proceeds possible. As such, given that there is no underwriting arrangement procured for the balance portion of the Rights Shares that remain unsubscribed, the issue price of the Rights Shares shall be fixed at an issue price that is deemed attractive enough to entice the Entitled Shareholders, their renounees and/ or transferees to subscribe for their entitled Rights Shares.

2.3 Basis of determining and justification for the exercise price of the Warrants

The Warrants attached to the Rights Shares will be issued at no cost to our Entitled Shareholders, their renounees and/ or transferees who subscribe for the Rights Shares.

The exercise price of the Warrants has been fixed at RM0.43 per Warrant after taking into consideration, the TERP of FBG Shares based on the 5-day VWAP of FBG Shares immediately preceding the Price-Fixing Date. The exercise price of the Warrants has been price-fixed with reference to the said TERP of FBG Shares, and there will not be any premium or discount accorded to the said TERP of FBG Shares in view that the Warrants will be issued at no cost to the Entitled Shareholders, their renounees and/ or transferees who successfully subscribe for the Rights Shares.

The exercise price of RM0.43 per Warrant represents the TERP, computed based on 5-day VWAP of FBG Shares up to and including the LTD of RM0.43.

2.4 Ranking of the Rights Shares and new FBG Shares to be issued arising from the exercise of the Warrants

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing FBG Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new FBG Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing FBG Shares, save and except that the new FBG Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new FBG Shares.

2.5 Salient terms of the Warrants

Issue size	:	Up to 373,882,456 Warrants
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Exercise period	:	The Warrants may be exercised at any time within 5 years commencing from and including the date of issuance of the Warrants (" Issue Date ") and expiring at the close of business at 5.00 p.m. in Kuala Lumpur on the date immediately preceding the 5 th anniversary from and inclusive of the Issue Date, and if such a day is not a Market Day, on the immediately preceding Market Day. Any Warrants not exercised at the expiry of the exercise period will thereafter lapse and become null and void
Mode of exercise	:	The registered holder of the Warrant is required to lodge a subscription/ exercise form, as set out in the Deed Poll, with our Company's registrar, duly completed, signed and stamped together with payment of the exercise price by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the Deed Poll
Exercise price	:	RM0.43 per Warrant, subject to the adjustments in accordance with the provisions of the Deed Poll during the exercise period
Exercise rights	:	Each Warrant carries the entitlement, at any time during the exercise period, to subscribe for 1 new FBG Share at the exercise price, subject to the provisions of the Deed Poll
Board lot	:	For the purpose of trading on Bursa Securities, 1 board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new FBG Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities
Participating rights of the holders of Warrants in any distribution and/ or offer of further securities	:	The holders of the Warrants are not entitled to vote in any general meeting of our Company and/ or to participate in any distribution other than on winding-up, compromise or arrangement of our Company as set out below and/ or in any offer of further securities in our Company unless and until the holder of the Warrants becomes a shareholder of our Company by exercising his/ her Warrants into new FBG Shares or unless otherwise resolved by our Company in a general meeting

- Adjustments in the exercise price and/ or number of Warrants : The exercise price and/ or number of unexercised Warrants shall be adjusted in the event of, amongst others, bonus issue, consolidation of shares, alteration to the share capital of our Company, capital distribution or issue of securities convertible into shares in accordance with the provisions of the Deed Poll
- Rights in the event of winding-up, liquidation, compromise and/ or arrangement : Where a resolution has been passed for a member's voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then to the extent permitted by law every holder of the Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/ her Warrants to our Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if he/ she had on such date been the holder of the new FBG Shares to which he/ she would have been entitled to pursuant to such exercise
- Ranking of the new FBG Shares to be issued pursuant to the exercise of Warrants : The new FBG Shares to be issued arising from the exercise of the Warrants shall upon allotment and issuance, rank equally in all aspects with the existing FBG Shares, save and except that the new ordinary shares will not be entitled to any dividend, right, allotment and/ or any other forms of distribution that may be declared, made or paid to shareholders of our Company, where the entitlement date of such dividend, right, allotment and/ or other forms of distribution precedes the relevant date of allotment and issuance of the new ordinary shares
- Listing status : The Warrants shall be listed and quoted on the Main Market of Bursa Securities
- Modifications : Any modification to the Deed Poll must be effected only by deed poll, executed by our Company, expressed to be supplemental to the Deed Poll, approved by the holders of Warrants sanctioned by special resolution, and if required, the approval of any relevant authority as required under law has been obtained. Save as expressly provided in the Deed Poll, no modification alteration to and abrogation of the provisions of the Deed Poll may be made without the passing of a special resolution other than modifications which in the opinion of our Company:-
- a. are not prejudicial to the interest of the holders of the Warrants; or
 - b. are to correct a manifest error or to comply with mandatory provisions of Malaysian law or to comply with the rules of Bursa Depository, SICDA, Listing Requirements and/ or provisions of Malaysian laws (in respect of which each holder of the Warrants shall sign any document or do any act which our Company may reasonably require for the purpose of complying with such rules or laws)
- Governing law : Laws of Malaysia

3. IRREVOCABLE AND UNCONDITIONAL UNDERTAKING

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level after taking into consideration the minimum level of funds of RM2,826,060 that our Company intends to raise from the Rights Issue with Warrants that will be channeled towards the proposed utilisation as set out in Section 4 of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, Tan Sri Kuan had vide a letter dated 15 April 2021, provided his irrevocable and unconditional undertaking to subscribe in full for his entitlement to the Rights Shares at no less than the minimum issue price of RM0.10 per Rights Share based on his shareholding in FBG as at the Entitlement Date. The Undertaking Shareholder has also undertaken that he will not dispose any FBG Shares prior to the Entitlement Date, and will subscribe for any additional Rights Shares entitlement based on the Entitlement Date in the event he increases his shareholding in FBG. For illustration purpose, based on the Undertaking Shareholder's shareholding as at the LPD, the details of his Undertaking are summarised as follows:-

Undertaking Shareholder	Shareholding as at the LPD		Undertaking		Shareholding after the Rights Issue with Warrants		Funding required ^{*4} RM
	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*3}	
Tan Sri Kuan	28,260,600	7.62	28,260,600	100.00	56,521,200	14.16	2,826,060

Notes:-

- *1 Computed based on 370,806,692 FBG Shares (excluding treasury shares) in issue as at LPD.
- *2 Computed based on 28,260,600 Rights Shares available to be issued pursuant to the Undertaking under the Minimum Subscription Level.
- *3 Computed based on the enlarged issued share capital of FBG of 399,067,292 FBG Shares (excluding treasury shares) after the Rights Issue with Warrants under the Minimum Subscription Level.
- *4 Based on the issue price of RM0.10 per Rights Share.

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, we do not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders, their renounees and/ or transferees pursuant to the Rights Issue with Warrants. The Undertaking Shareholder has confirmed that he has sufficient financial resources to fulfil his Undertaking, and that such confirmation has been verified by UOBKH, being the Adviser for the Rights Issue with Warrants.

Unique Bay Sdn Bhd ("**Unique Bay**"), an entity deemed connected to Tan Sri Kuan by virtue of his deemed interest held in Unique Bay, holds 7,581,600 or representing 2.04% equity interest in FBG as at the LPD. Pursuant to the Undertaking, the collective shareholdings of Tan Sri Kuan and Unique Bay in FBG will increase from 9.67% to 16.06% pursuant to the completion of the Rights Issue with Warrants under the Minimum Scenario. Further thereto, assuming the full exercise of Warrants under the Minimum Scenario, their collective shareholdings in FBG may further increase from 16.06% to 21.61%. As such, the Undertaking will not give rise to any obligation by the Undertaking Shareholder to undertake a mandatory take-over offer for all the remaining FBG Shares not already owned by the Undertaking Shareholder and the person(s) acting in concert with him in accordance with the Rules of Take-overs, Mergers and Compulsory Acquisitions.

Pursuant to Paragraph 8.02(1) of the Listing Requirements, we must ensure that at least 25% of the total listed FBG Shares (excluding treasury shares, if any) are in the hands of public shareholders. For information purpose, our public shareholding spread is not expected to fall below 25% of the enlarged issued share capital after the completion of the Rights Issue with Warrants under the Minimum Scenario, as exhibited in the table as follows:-

	Shareholdings as at the LPD		I Shareholdings after the Rights Issue with Warrants		II Shareholdings after assuming full exercise of Warrants	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*3}
Directors, substantial shareholders and/ or persons connected	97,875,319	26.40	126,135,919	31.61	154,396,519	36.13
Public	272,931,373	73.60	272,931,373	68.39	272,931,373	63.87
Total	370,806,692	100.00	399,067,292	100.00	427,327,892	100.00

Notes:-

- *1 Computed based on 370,806,692 FBG Shares (excluding treasury shares) in issue as at LPD.
- *2 Computed based on the enlarged issued share capital of FBG of 399,067,292 FBG Shares (excluding treasury shares) after the Rights Issue with Warrants under the Minimum Scenario.
- *3 Computed based on the enlarged issued share capital of FBG of 427,327,892 FBG Shares (excluding treasury shares) after assuming the full exercise of Warrants under the Minimum Scenario.

For information purpose, the effects under the Maximum Scenario are not illustrated hereinabove as the Rights Issue with Warrants under this scenario will not have any effect on the percentage of the shareholders' shareholdings, as the Rights Shares are assumed to be fully subscribed by all Entitled Shareholders on a pro-rata basis.

4. UTILISATION OF PROCEEDS FROM THE RIGHTS ISSUE WITH WARRANTS

Based on the issue price of RM0.10 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-

	Timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario	
		Amount RM'000	%	Amount RM'000	%
Funding for existing and/ or future construction projects ^{*1}	Within 18 months	2,226	78.77	10,000	26.75
Funding for future property development projects ^{*2}	Within 24 months	-	-	10,000	26.75
Business expansion and/ or future viable investment for logging & timber trading, and plantation segments ^{*3}	Within 24 months	-	-	15,000	40.12
Working capital requirements ^{*4}	Within 6 months	-	-	1,788	4.78
Defrayment of estimated expenses ^{*5}	Upon completion	600	21.23	600	1.60
Total		2,826	100.00	37,388	100.00

Notes:-

- *1 FBG Group has earmarked proceeds of up to RM10.00 million to part finance the existing and/ or future construction project(s) undertaken by our Group.

As set out in Section 7.6 of this Abridged Prospectus, our Group's construction order book stands at RM339.0 million as at the LPD, of which are expected to provide earnings visibility to our Group over the 2 years based on the order book timeframe. Amongst the construction job orders, one of our main priority is focused on executing and completing the construction contract involving the building and development works of Duta Park Residences, a high-rise residential development project located at Kuala Lumpur, the details of which are further summarised below:-

Project description	Total contract value (RM'000)	Project owner	Date of award	Commencement/ expected completion date	Stage of completion as at LPD
Main building works (Phase 1 & 2) for Duta Park Residences, Kuala Lumpur	405,575	Malton Development Sdn Bhd	Phase 1 19.06.2019 Phase 2 21.08.2020	30.08.2019 (Phase 1), 21.08.2020 (Phase 2)/ 25.11.2022 (Phases 1 & 2)	19.78%

High-rise residential development located along Jalan Kuching, Kuala Lumpur comprising of 3 blocks: Tower A (46-Storey), B (49-Storey) and C (30-Storey) with a 13-storey common podium block that consists of basement car park, podium car park and facility floors

As at the LPD, the podium construction for the tower footprint has been completed. The construction progress is currently in the superstructure phase (i.e. refers to building or the building parts thereof built above the foundation) under Phases 1 & 2, involving the construction for Tower A (i.e. up to level 10A floor units), for Tower B (i.e. up to level 17 floor units), and for Tower C (i.e. up to level 14 floor units). The earmarked proceeds of up to RM10.00 million from the Rights Issue with Warrants is intended to be utilised to part finance the mid phase of construction project involving superstructure works under Phase 1 & 2 such as payment to sub-contractors and suppliers for building materials.

The exact allocation of funding for the above construction project(s) will be determined over the progress of the projects, based on its status and the estimated costs required at the relevant point in time as well as the timing of completion of the Rights Issue with Warrants. Any balance/ shortfall required to fund these project(s) will be financed through our Group's internally generated funds and/ or bank borrowings. In the event of any amount not utilised for the specific project above will be reallocated towards other existing and/ or future construction projects undertaken by our Group, depending on their respective funding requirements as and when necessary.

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- *2 FBG Group has earmarked proceeds of up to RM10.00 million to part finance the future property development project(s) to be undertaken by our Group.

As set out in Section 7.6 of this Abridged Prospectus, part of our Group's long term growth plan for the property development segment includes the planned future development of "Rica Residence" series property projects. In line with the above, our Group intends to launch and develop Rica Residence @ Kinrara by 2021, further details as summarised below:-

Project description	Estimated GDV (RM'000)	Estimated GDC (RM'000)	Expected commencement/ completion date
Rica Residence @ Kinrara Proposed high-rise residential development project comprising of 475 condominium units and 204 "Rumah Mampu Milik" units split across 3 blocks (Block A: 227 units, Block B: 248 units and Block C: 204 units), located at Puchong, Selangor	395,900	324,700	Fourth quarter of 2021/ fourth quarter of 2024

The planning permission and the amended planning permission for Rica Residence @ Kinrara were obtained from Dewan Bandaraya Kuala Lumpur ("DBKL") on 5 January 2015 and 20 August 2019 respectively, while the building plan and the amended building plan approvals were obtained from DBKL on 24 June 2016 and 14 October 2020 respectively. For information purpose, both the aforesaid planning permission and amended planning permission remain valid as at the LPD, as our Group had obtained the relevant building plan and amended building approvals from DBKL, and that the amended building plan approval shall expire on 13 October 2021 (being a validity period of 1 year from the date of amended building approval), unless the development work has commenced on site. If our Group anticipates any foreseeable delay to commence development on site prior to expiry on 13 October 2021, we intend to apply with DBKL to extend the building plan validity period for our project prior to the said expiry. We do not envisage any material impact from the aforesaid extension other than the incidental fees to be paid to DBKL. Barring any unforeseen circumstance, the project is envisaged to be launched in the fourth quarter of 2021.

The earmarked proceeds of up to RM10.00 million from the Rights Issue with Warrants is intended to be utilised to part finance initial project development cost such as sub-structure works (i.e. piling and foundation works). Our Group intends to fund the remaining balance of the development works (i.e. mainly comprising superstructure and infrastructure works) of this project through internally generated funds, progressive sales billings to be received and/ or bank borrowings.

Any amount not utilised for the specific project above will be reallocated towards other future property development projects which may be undertaken by our Group, depending on the funding requirements as and when necessary. The exact breakdown between the sources of fund will be determined by our management at a later stage, after taking into consideration, amongst others, the internal fund requirements and/ or our Group's gearing level as well as the availability and suitability of other funding options at the relevant time.

- *3 FBG Group is actively identifying suitable business projects or investments via joint venture, collaborative arrangements, business agreements, and/ or mergers and acquisitions of businesses or investments in the logging & timber trading, and plantation segments. In line with the above, up to RM15.00 million of the proceeds which may be raised from the Rights Issue with Warrants shall be utilised to finance any such suitable and viable potential business(es)/ investment(s), within 24 months from completion of the Rights Issue with Warrants. As potential acquisition(s) of business(es)/ investment(s) may cost a substantial amount, the proceeds raised from the Rights Issue with Warrants may allow our Group to capitalise on suitable and viable investment opportunities as and when it arises, which in turn may generate positive returns to our Group in the future.

In respect of the **logging & timber trading segment**, our Group intends to expand this segment with new logging & timber trading activities at strategic areas that would spearhead continued growth going forward. As at the LPD, our Group operates its logging activities at the following timber concession areas:-

- Hutan Simpan Yong, Jerantut, Pahang - with 8.9% remaining acres yet to be logged; and
- Hutan Simpan Som, Hutan Simpan Tekam and Hutan Simpan Tekai Tembeling (Tambahan), Jerantut, Pahang - with 60.7% remaining acres yet to be logged.

Our Group is cognisant that the logging contract secured for Hutan Simpan Yong is approaching the tail end of operation. In anticipation thereto, we are on the look-out for strategic areas for logging and timber extraction opportunities to replenish and expand our Group's source of income from the logging & timber trading segment. At this juncture, we are in preliminary discussion with timber concessionaire/ rights holder and/ or timber operators as well as in the midst of look-out for strategic location(s) that can ensure economic viability in the long run. In event our Group has managed to secure the necessary rights or contract to operate logging activities, we may utilise proceeds from the Rights Issue with Warrants (up to RM15.00 million) to part finance any license fee to authorities, cost of building access road or bridges, and payment to subcontractors, the breakdown of which is unable to be determined at this juncture, as it is dependent on the scale and size of logging operations at the point in time.

In respect of the **plantation segment**, our Group had internally set up a new line of business, namely the plantation activities, when we had commenced planting of durian within the agricultural land located in Mukim Si Rusa, Port Dickson, since 2019. As at the LPD, we have planted about 1,000 durian trees of Musang King and Black Thorn species within the said agricultural land measuring approximately 38 acres in Mukim Si Rusa, Port Dickson. We had completed our durian planting initiatives in early 2020. Within the plantation sector, our Group has earmarked durian plantation as a viable business to venture into in the long term. Barring any unforeseen circumstances, our Board envisages that the durian plantation may contribute to the future earnings of our Group in the long term, in view of the gestation period from planting to durian fruiting/ harvesting which can typically span over 5-7 years.

In order to expand our durian planting initiatives under the **plantation segment**, our Group intends to secure or accumulate more land parcels for plantation activities, as means to scale up the business growth for durian sales in the longer term upon ready for harvesting. We intends to use the proceeds to cultivate, plant, maintain and upkeep these lands under contract farming basis. In doing so, our Group may enter into agreement(s) with the plantation landowners for the right to use the land for a period of time, in which we will bear responsibility to plant, operate, maintain and harvest the fruits/ orchards from the plantation land. Typically, the right for contract farming will either be based on a joint venture or profit sharing basis for a period of at least 30 years. Future income to be received from the plantation will be shared between our Group and the landowners according to the terms to be agreed upon. At this juncture, we are currently on the look-out to source for any potential engagement with landowner(s) for purpose of undertaking such business arrangement, taking also into consideration factors such as suitable and strategic location (i.e. soil condition, terrain and size of location) for durian plantation activities. In event our Group has managed to identify any business/ investment opportunities relating to plantation activities, we may utilise proceeds from the Rights Issue with Warrants (up to RM15.00 million) to part finance plantation developmental cost including but not limited to land clearing, earth works, infrastructure works and planting works.

As at the LPD, our Group is still exploring options for identifying suitable business(es)/ investment(s) or strategic acquisition(s)/ collaboration(s) and will continuously seek and identify such opportunities in relation to both logging & timber trading, and plantation segments. We shall make the necessary announcements in accordance with the Listing Requirements as and when new business(es)/ investment(s) which are likely to materialise have been identified. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, we will seek the necessary approval from shareholders.

The breakdown and/ or sequence of priority of the expansion/ investment proceeds to be utilised between the logging & timber trading, and plantation segments cannot be determined at this juncture as the use of proceeds are subject to our Group's funding requirements as and when needed to facilitate any form of consideration/ settlement, either in whole or in part, for the said expansion/ investment opportunity(ies) as and when materialised and carried out at later stages.

- *4 The proceeds earmarked for working capital requirements are intended to be utilised to finance FBG Group's day-to-day operational expenses, which include, amongst others, staff costs and other administrative and operating expenses (examples as shown in below table). The breakdown of the proceeds to be utilised for working capital are subject to our Group's operating requirements at the time of utilisation and as such can only be determined at a later stage. Notwithstanding that and on best estimate basis, the breakdown of proceeds for the working capital requirements are budgeted by our management in the following manner:-

Project description	Notes	Percentage allocation (%)	Maximum Scenario (RM'000)
Staff costs	a.	70	1,252
Other administrative and operating expenses	b.	30	536
Total		100	1,788

Notes:-

- a. Staff costs include amongst others, staff salaries and allowances, wages, overtime and other statutory payments.
- b. Other administrative and operating expenses include amongst others, rental, utilities, insurance, transportation costs, upkeep of office, day-to-day operating expenses and other miscellaneous items. The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of our Group at the relevant time.
- *5 The proceeds earmarked for the defrayment of the estimated expenses in relation to the Rights Issue with Warrants are set out in the following manner:-

	RM'000
Professional fees (i.e. principal adviser, due diligence solicitors, independent market researcher, company secretary and share registrar)	350
Regulatory fees (i.e. Bursa Securities, SC, and Companies Commission of Malaysia)	90
Other incidental expenses in relation to the Rights Issue with Warrants (i.e. EGM, printing and advertising costs, and miscellaneous expenses)	160
Total	600

Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds to be utilised for the working capital of FBG Group.

The actual gross proceeds to be raised from the Rights Issue with Warrants is dependent on the number of Rights Shares to be issued. Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against the amount allocated for the working capital of our Group.

Pending the utilisation of proceeds from the Rights Issue with Warrants for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as working capital of FBG Group.

Pursuant to Paragraph 9.19(32) of the Listing Requirements, we will make an immediate announcement to Bursa Securities should there be any deviation by 5% or more from the original utilisation of proceeds as set out above. Further, pursuant to Paragraph 8.22 of the Listing Requirements, in the event that the deviation from the original utilisation of proceeds is deemed as a material variation (25% or more), we will seek shareholders' approval for the variation at a general meeting.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be issued. In the event we do not achieve full subscription of the Rights Issue with Warrants, we will not be able to raise the amount of approximately RM37.39 million under the Maximum Scenario and in such event, the amount of proceeds raised will be utilised in the following priority:-

- i. business expansion and/ or future viable investment for logging & timber trading, and plantation segments;
- ii. funding for existing and/ or future construction projects;
- iii. funding for future property development projects; and
- iv. working capital requirements.

The gross proceeds to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants. As such, the exact amount to be raised and timeframe for utilisation of the proceeds from the exercise of the Warrants is not determinable at this juncture. For illustrative purpose only, the gross proceeds to be raised upon the full exercise of the Warrants based on the exercise price of RM0.43 per Warrant under the Minimum Scenario and Maximum Scenario are set out below:-

	Minimum Scenario	Maximum Scenario
No. of Warrants issued	28,260,600	373,882,456
Gross proceeds raised assuming all Warrants are exercised (RM)	12,152,058	160,769,456

Such gross proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance FBG Group's day to day operations. The proceeds may be utilised to finance, amongst others, payment of staff costs, repayment to trade creditors/ suppliers, office utilities as well as general administrative expenses, the breakdown of which have not been determined at this juncture.

5. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

Our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue to raise the necessary funding for FBG Group as set out in Section 4 of this Abridged Prospectus after taking into consideration the following:-

- i. the Rights Issue with Warrants will strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in Section 8.2 of this Abridged Prospectus;
- ii. the Rights Issue with Warrants will enable the issuance of new FBG Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants;
- iii. the Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares, and
- iv. the proceeds arising from the Rights Issue with Warrants will be utilised to meet our Group's fundraising objectives as set out in Section 4 of this Abridged Prospectus, which notably include up to RM10.00 million being earmarked to part-finance our existing and future construction projects, up to RM10.00 million being earmarked to part-finance our future property development projects, and up to RM15.00 million being earmarked for business expansion and/ or future viable investment for our logging & timber trading as well as plantation segment.

The Warrants have been attached to the Rights Shares to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. We would also be able to raise additional proceeds as and when the Warrants are exercised.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to the property development industry

6.1.1 Dependence on the performance of the property market

The performance of our business is dependent on the performance of the property market in Malaysia. Based on our audited consolidated financial statements for the FYE 30 June 2020 and unaudited 9-month FPE 31 March 2021, the property development segment contributed to approximately 19.7% and 28.2% of our total revenue. The performance of the property market are affected by amongst others, the supply and demand of properties, rate of economic growth, interest rates, inflation as well as introduction regulatory measures to curb speculative investments in the property market in Malaysia. Other factors beyond our control such as changes in political, economic and social developments in Malaysia or sudden outbreak of disease may also have an impact on the property market condition.

Any adverse development affecting the property market may adversely impact the performance of our business, which in turn may adversely affect our financial performance.

6.1.2 Property overhang and/ or unsold property

Our Group faces the risk of property overhang, commonly caused by over-supply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions. Property overhang may occur at the time of completion of our property development projects in the future. This would affect the sale and rental of our Group's properties and in turn affect our financial performance. In addition, a prolonged property overhang situation or an increase in the number of unsold properties in the property market may also be due to other factors such as weak response to property launches, location of the properties and changes in consumer preference.

There is no assurance that our Group's projects will achieve a favourable take-up rate or that our Group's property launches will not be affected by property overhang.

6.1.3 Availability of commercially viable landbank for property development

The success of our Group's property development is dependent on our ability to identify and acquire suitable land banks in terms of, amongst others, price, location and size to undertake property development projects that are profitable. The continuous identification and replenishment of strategically located land bank is crucial to our Group sustaining long term growth and earnings from our property development businesses. Due to the scarcity of strategic land bank, our Group is expected to face competition from other property developers in the acquisition of attractive land bank at commercially viable prices. Given the competition, land bank may be acquired at a higher acquisition cost.

There is no assurance that our Group will be able to continuously identify and acquire suitable land bank at commercially viable prices, which may have a material adverse effect on the financial performance of our property development business.

6.1.4 Competition risk

There is intense competition among property developers to amongst others, identify and purchase strategically located and reasonable priced landbank, engaging reliable contractors and purchasing sufficient and reasonably priced building materials. The success of a property development project is based on a number of factors, which include location, pricing, accessibility, infrastructure and amenities, quality of development and the reliability and reputation of the property developer. Failure by our Group to price our property launches competitively and offer properties which meets the requirements and expectations of prospective customers may have a bearing on our ability to sell such properties.

There is no assurance that our Group will be able to successfully compete with other competitors and that competitive pressure will not have a material adverse effect on our Group's business operations and/ or financial conditions.

6.1.5 Project completion risks

Our property development business is exposed to the risk that there may be delays in the completion of the construction and/ or development of our property projects. Delays may arise from the occurrence of events beyond our control including, amongst others, natural disasters, adverse weather conditions, delay in obtaining the necessary approvals/ permits, shortage or unavailability of building materials and/ or labour workforce, and sudden disruption in development progress. Any delay in completing the property development projects within the timeframe agreed with customers may expose our Group to additional cost and potential claims, which may have a materially adverse impact on our business operations and financial results. Such delays may also affect our Group's reputation and its ability to attract purchasers in the future.

Since the commencement of the first MCO (in March 2020) up to the LPD, our property development project, namely Rica Residence @ Sentul, had experienced delays as construction works were halted temporarily and/ or scaled back throughout the MCO period. Nevertheless, during the same period from March 2020 up to the LPD, our Group has not incurred any damages for late delivery with respect to our property developments as we have not breached any stipulated timeframes agreed with customers for the delivery of our property development projects.

6.2 Risks relating to the construction industry

6.2.1 Increase in price or shortage of raw materials

Due to the nature of our construction segment, our Group depends on a continuous supply of raw materials and we will constantly source and purchase a wide range of construction services materials, which includes steel bars, ready mixed concrete, precast products and fittings from our suppliers at reasonable prices. The market prices and availability of raw materials may fluctuate in response to changes in market supply and demand, economy conditions, inflationary pressure and environment regulations and tariffs.

Any sudden and/ or unexpected shortage of supply may require us to source for suitable replacements. Failure to obtain the replacements in a timely manner may lead to delays in our construction works and as a result thereof, our business operations may be adversely affected. Hence, under such circumstances, there is no assurance that we are able to obtain sufficient quantities of construction materials for our projects at competitive prices at all times.

6.2.2 Dependence on award of new contracts

As the nature of our construction segment is project-based and dependent on the sustainability of our order book, there is no assurance that we are able to continuously secure new projects, nor any assurance that new projects secured will be on commercial terms favourable to our Group. As at the LPD, our Group's outstanding construction order book stands at approximately RM339.0 million, further details of which are set out in Section 7.6 of this Abridged Prospectus.

The financial performance of our Group depends on our ability to secure new projects to sustain our order book. If we are unable to do so, our order book may decline and this may cause a material adverse impact on our Group's growth potential, and future financial performance. In addition, it is generally difficult to predict whether and when we will be awarded with such contracts as the bidding and selection process is often lengthy, complex and very competitive.

6.2.3 Credit risk

Our Group may experience delay in payment from our customers, or in more severe cases, we may not be able to collect the full amount as they become due. In the event of payment defaults, we would have to cater for provision of doubtful debts or to write-off these bad debts, which may have an adverse impact on our profitability and/ or financial position due to the reduced cash flow. Additionally, any dispute resolution arising from debt recovery issues may be costly and time consuming. Due to the uncertainties of such proceedings, there can be no assurance that the outcome of these dispute resolutions will be in our favour. Save as disclosed in Section 6, Appendix I of this Abridged Prospectus, our Board is not aware of any potential dispute involving delay in collection from our customers which might materially affect our financial position as at the LPD.

There can be no assurance that payments from any of our customers will be received in full or on time. In the event of delayed, missed or reduced payments, in particular from concessions which are long-term in nature, our cash flow and liquidity may be materially and adversely affected.

6.2.4 Delay in completion of the construction works

The performance of our Group's construction business is dependent on the timely completion of our construction projects and external factors, some of which may be beyond our control such as obtaining various regulatory approvals as scheduled. Other factors that may cause delays include site accidents and shortage of raw materials as well as changes to regulatory environment and framework.

Any delay in completing the construction projects within the agreed timeframe may expose our Group to additional cost and potential claims which may impact our Group's profitability. Such delays may also affect our Group's reputation which would then adversely affect our ability to successfully bid for other construction projects in the future. This may then affect our ability to replenish our order book, thus affecting future financial performance.

Our Group currently has two ongoing construction projects, namely Duta Park Residences and Sultan Abdul Aziz Shah Airport, which had commenced operations in August 2019 and April 2021 respectively. As at the LPD, we have not encountered any delay in these projects whereby our extension of time is not approved by our customers. As such, we have not encountered any liquidated and ascertained damages ("LADs") enforced against us, as a result of the COVID-19 pandemic or the government lockdowns in Malaysia. Accordingly, our Group has not incurred any LADs in relation to our existing construction projects as at the LPD.

6.2.5 Dependence on subcontractors

Our Group may engage and appoint third-party subcontractors from time to time. As such, the performance and profitability of our projects are dependent on the quality pricing, performance and reliability of the appointed subcontractors to carry out the projects within the prescribed timeframe. The subcontractors may be appointed for, amongst others, civil, structural, mechanical and electrical, building construction, piling and foundation works.

Although we strive to award contracts to competent subcontractors, there is no assurance that the performance of the subcontractors appointed will be satisfactory or fulfil the quality level expected by us. The subcontractors may also experience financial and/ or other difficulties which may affect their ability to carry out the contracted work, leading to possible delays in completion of projects as well as cost overruns which may materially and adversely affect the financial performance of our Group.

In the event of a shortage in supply of foreign workers, our subcontractors may encounter difficulties to complete their appointed construction works on time. Although we may claim compensation from our subcontractors for any non-performance or unsatisfactory performance on their deliverables, nevertheless, we may be required to compensate our customers in advance. Any non-recoverable compensation may result in us suffering losses that may adversely affect our financial performance.

Notwithstanding the above, we have not experienced any past instances where any delay or non-performance by our appointed subcontractors have had a material adverse impact on our financial performance.

6.3 Risks relating to the timber industry

6.3.1 Business and operational risks

Our Group is subject to business and operational risks inherent in the timber industry which include but not limited to, severe weather conditions, constraint in labour supply, changes in general economic conditions, unfavourable changes in government policy and regulations, dependence on sub-contractors, natural disaster and negative publicity from non-governmental organisations concerned with the effect of timber logging on the environment. Accordingly, is no assurance that any changes to these factors, which may be beyond our control, will not materially affect our timber business operations. For instance, we have experienced a decrease in timber sales, which was in concurrence with the scale down of logging activities during the first MCO (from March to May 2020) and the third MCO (from June to July 2021). During these two periods, we were forced to temporarily halt our logging & timber trading operations as they are not considered essential services by the Malaysian Government.

6.3.2 Regulatory requirements and dependence on licences and permits

We operate in a highly regulated environment, and require relevant licences and permits to operate our timber logging activities. Failure by us to renew maintain or obtain the required licences and permits due to reasons beyond our control may interrupt our operations, and delay or prevent the implementation of any logging capacity expansion, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our ability to continuously maintain or renew our business licences and permits are dependent on our extent of compliance with the regulatory requirements imposed by the relevant authorities, which are generally operational and procedural in nature. Failure to comply with the regulatory requirements may result in suspension and/ or revocation or our timber licences and permits which would adversely affect our operations and financial performance.

For shareholders' information, our Group's logging & timber trading segment had recorded no timber sales from January 2021 to March 2021, due to the end of production for the current block at Hutan Simpan Yong. We have yet to obtain permit for the new block as the relevant government authorities had operated with minimal capacity throughout the MCO period. Nevertheless, our Group had in April 2021 obtained the permit to commence logging of a production block (355.93 acres out of 1,000 acres) at Hutan Simpan Tekai Tembeling, which is the currently our main on-going timber extraction activities.

6.3.3 Fluctuation in selling prices of logs

The prices of logs are subject to fluctuations due to changes in supply and demand conditions. Any shortage in supply or upsurge in demand may lead to an increase in the price of logs. Factors influencing the demand and supply conditions for logs include but not limited to, weather conditions, global economic condition (such as the housing market requiring timber-based products), increased competition from timber operators, substitute products to timber materials, and changes in the regulatory and environmental landscape.

There is no assurance that the profitability of our Group will not be affected in the event of adverse price fluctuation of logs, and/ or in event our selling price is not sufficient to offset the impact of cost increase.

6.4 Risks relating to the durian plantation industry

6.4.1 Business and operational risks

Our Group is subject to business and operational risks inherent in the durian industry. These include but not limited to, adverse changes in supply and demand conditions, outbreaks of diseases, damage from pests, fire or other natural disasters, adverse climate conditions, downturns in the global, regional and/ or national economies, changes in law and tax regulations, unfavourable foreign exchange rates or trade duties, increase in labour cost and other production costs, constraint in labour supply, and changes in business and credit conditions. There is no assurance that any changes to the abovementioned factors, which may be beyond our control, will not materially affect our durian plantation operations.

6.4.2 Volatility in durian prices

As in the case of many commodity prices, the durian prices have in the past been characterised by a high degree of volatility and cyclicity, and are subject to fluctuations due to changes in supply and demand conditions, which are affected by a number of factors including but not limited to, global durian production levels, weather conditions, natural disaster, pest and disease outbreak, world consumption (particularly from the main export market such as China), changes in law and tax regulations, and trade duties. The historical durian prices are set out below:-

Variety		Average price (RM per kg)						
		2014	2015	2016	2017	2018	2019	2020 ^{*1}
Durian kampung	Ex-farm	3.50	2.40	4.65	8.55	5.50	5.30	5.95
	Wholesale	3.45	3.60	6.60	11.80	8.35	6.90	7.70
	Retail	5.30	5.35	9.70	16.70	12.75	10.50	12.10
D24	Ex-farm	10.60	7.00	10.45	15.40	10.75	10.85	12.00
	Wholesale	6.30	9.35	13.10	21.50	15.25	14.50	17.20
	Retail	9.95	12.60	18.45	30.10	21.55	18.90	21.65

Note:-

*1 For the period of January to June 2020, being the latest publicly available data

(Source: Independent market research report dated 10 September 2021, Providence)

There is no assurance that the volatility of durian prices will not materially affect our Group's financial performance.

6.4.3 Competition risk

Our Group may face competition from existing competitors and/ or new entrants operating in similar business relating to the durian business activities, from both local and regional durian farmers/ business operators, particularly Thailand and Indonesia. Some of these competitors and/ or new entrants may possess competitive advantage over our Group in terms of financial capability, cost and operational efficiency such as superior product quality, more efficient cultivation techniques and larger economies of scale. As such, there can be no assurance that our Group will be able to compete effectively with existing and/ or new entrants in similar business relating to the durian business activities in the future which may materially affect our Group's financial performance.

6.5 Impact of COVID-19 outbreak on FBG Group

The recent ongoing COVID-19 pandemic, which has led to the implementation of national lockdown policies in many countries worldwide, including Malaysia, has restricted many businesses from operating as usual. The COVID-19 pandemic has affected our Group's local operations due to the MCO that has been enforced by the Malaysian Government.

For shareholders' information, our Group's construction, property development and logging sites were all temporarily closed, and operations were temporarily suspended during the first MCO which took effect from 18 March 2020 ("**First MCO**"). We had resumed operations since 5 May 2020 onwards when the conditional MCO took effect, albeit with strict standard operating procedures ("**SOPs**") in place, which includes temperature monitoring for all employees and visitors, ensuring physical distancing during work, and the purchase of personal protective equipment.

Our Group's businesses were permitted to operate by Ministry of International Trade and Industry ("**MITI**"), during the second MCO which took effect on 13 January 2021. Once again, our Group's construction, property development and logging sites were all forced to close during the third MCO commencing 1 June 2021, and had on 12 July 2021 gradually resumed operations. For shareholders' information, our Group has incurred total costs of approximately RM0.50 million as at the LPD, to comply with the SOPs imposed by the Malaysian Government.

Since the commencement of the First MCO up to the LPD, our Group's construction and property development projects had experienced slowdown in progress as our construction works were halted temporarily. For instance, the Sultan Abdul Aziz Shah Airport project has been delayed due to the on-going COVID-19 pandemic and the government lockdowns imposed, which are beyond our control. Premised on the extension of time to be sought from the customer, we do not foresee any LADs that may be enforced against us. As at the LPD, we do not expect delays in the delivery of our other construction and property development projects as we are able to ramp up our operations to meet the agreed timeframe, which are at later dates. Should the need arises, our Group shall, at the relevant point in time, seek the necessary extension from our customers.

We have not encountered any delay whereby our extension of time is not approved by our customers since the commencement of the First MCO and up to the LPD. Notwithstanding the above, we do not foresee our existing construction and property development projects to incur any damages for late delivery as we do not expect to breach the stipulated timeframes agreed and/ or granted by the customers for the delivery of the projects. Save for the temporal disruption to the supply of construction materials on site as a result of MCO travelling restrictions, we neither encountered any significant price fluctuations in our cost of raw materials, nor subject to any sudden and/ or unexpected shortage of raw materials, that have a material impact to our Group's business and financial performance, since the first MCO and up to the LPD.

Further, we have experienced a decrease in timber sales, which was in concurrence with the scale down of logging activities particularly throughout the First MCO and third MCO periods. During these two periods, we were forced to temporarily halt our logging & timber trading operations as they are not considered essential services by the Malaysian Government.

In respect of our plantation business, our Group has not encountered any material impact arising from the COVID-19 outbreak as our durian plantation initiative (which involves the planting of about 1,000 durian trees in Mukim Si Rusa, Port Dickson) was completed in early 2020, and is not expected to progress into production phase in the near term, in view of the long term gestation period which can typically span over 5-7 years from planting to durian fruiting/ harvesting.

There can be no assurance that any prolonged adverse development arising from MCO, COVID-19 and/ or any other external factors will not adversely affect the financial performance and operations of our Group.

6.6 Risks relating to the Rights Issue with Warrants

6.6.1 Investment and market risks

Rights Shares

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, the outlook of the industries which we operate in as well as our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

Warrants

The price of our Warrants as traded on Bursa Securities is influenced by, amongst others, the market price of our Shares, remaining tenure of the Warrants and the volatility of the price of our Shares. In view of this, there can be no assurance that our Shares will be traded at or above the exercise price of the Warrants subsequent to the listing of the Warrants on Bursa Securities.

Accordingly, there can be no assurance that the market price of the Rights Shares and the Warrants will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants.

6.6.2 Delay in and abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in the governments' policies as well as other force majeure events, which are beyond the control of our Company and UOBKH, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription for the Rights Shares with Warrants pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Issue with Warrants is aborted/ terminated, and the Rights Shares and Warrants have been allotted to the shareholders, a return of monies to all holders of the Rights Shares with Warrants could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

6.6.3 Potential dilution

Our Entitled Shareholders who do not or are not able to subscribe for their entitlement(s) under the Rights Issue with Warrants will have their proportionate ownership and voting interest in our Company reduced accordingly as a result of the issuance of the Rights Shares and the new Shares to be issued upon the exercise of the Warrants. Consequently, their proportionate entitlement to any dividends, rights, allotments and/ or other distributions that our Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

6.7 Forward-looking statement

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section of this Abridged Prospectus. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under Phase 1 of the Full MCO (FMCO). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

Domestic demand turned around to register a positive growth of 12.3% (1Q 2021: -1.0%) in the second quarter of 2021, mainly supported by private sector expenditure. On the external front, demand for Malaysia's exports, particularly for E&E products, continued to remain robust.

Private consumption growth increased by 11.6% during the second quarter of 2021 (1Q 2021: -1.5%), following a broad-based expansion across both necessity and discretionary items, particularly at the start of the quarter, prior to the imposition of FMCO. This was due mainly to less stringent containment measures and mobility restrictions in the first half of the quarter. Labour market conditions also showed signs of improvement in the same period, which lent support to household spending. Furthermore, various policy measures, including the EPF i-Sinar withdrawals and Bantuan Prihatin Rakyat, provided additional lift to consumer expenditure. Public consumption expanded by 9.0% (1Q 2021: 5.9%), mainly on account of higher spending on supplies and services.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms' automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as E&E and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: -18.6%). The performance mainly reflects the higher spending on fixed assets by the General Government amid continued weak capital spending by public corporations.

The Malaysian economy was on track for a broad recovery in 2021 as compared to last year. However, the resurgence of COVID-19 cases has necessitated the re-imposition of nationwide containment measures, which would weigh on growth. Nevertheless, the impact will be partially mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will continue to be supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Going forward, the economic recovery will be underpinned by higher external demand and gradual improvement in domestic demand. The rapid progress of the nationwide vaccination programme will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments.

Against this backdrop, for 2021, the Malaysian economy is projected to expand within the range of 3.0 – 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to accelerate going into 2022, supported by normalisation of economic activities as well as the positive spillovers from continued improvement in external demand.

The balance of risks remains tilted to the downside, arising mainly from pandemic-related factors, such as delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

7.2 Overview and outlook of the property development industry in Malaysia

The Malaysian economy contracted by 3.4% in Q4 2020 as compared to the 2.6% and 17.1% contraction in Q3 2020 and Q2 2020 respectively, attributed to the implementation of Movement Control Order (MCO) in the country since 18 March 2020 and the imposition of Conditional Movement Control Order (CMCO) on several states with red zones since mid-October following a spike in the number of COVID-19 cases in these areas. For 2020 as a whole, the economy contracted by 5.6% as compared to a positive growth of 4.3% in 2019. The economic performance for 2020 was the lowest recorded after 1998 (-7.4%).

In the property segment, there were two main measures initiated by the government aim to improve property market activities under Budget 2020:-

1. The revision of the base year for Real Property Gains Tax (RPGT) to 1 January 2013 (initially 1 January 2000) for property purchased before the date.
2. The reduction of price threshold for foreign purchase from RM1 million to RM600,000 for unsold completed high-rise properties in urban areas. Consequently, several states have revised the minimum price for foreign purchase.

Not only has the COVID-19 pandemic taken its toll on various sectors of the economy, but also on the property market activity, which saw volume and value of transactions contracted sharply in Q2 2020. The property market showed signs of recovery in Q3 2020 following the implementation of Recovery Movement Control Order (RMCO) by 10 June 2020 and various stimulus provided by the government, namely Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA).

For PRIHATIN, the financial initiatives introduced by the government which have helped soften the impact on property market included:-

1. An automatic six-month loan moratorium for individual borrowers and SMEs from 1 April 2020 ending on 30 September 2020.
2. The Overnight Policy Rate (OPR) cut with a cumulative 125 basis points in 2020 would help lower the borrowing cost; thus, lower the monthly repayment amount.

On the demand-side, the amount of loan application for residential property purchase increased by 2.2% in 2020 while the total loan approval decreased by 17.3%. For the non-residential property, the amount of loan application and total loan approval decreased by 30.0% and 37.3% respectively. The ratio of loans approvals against loans applications for the purchase of residential property and non-residential property stood at 35.0% and 33.6% in 2020 versus 43.2% and 37.5% in 2019.

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion. Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively.

In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%. The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%).

(Source: Annual Property Market Report 2020, Valuation & Property Services Department, National Property Information Centre)

7.3 Overview and outlook of the construction industry in Malaysia

The construction sector contracted by 19.4% in 2020 (2019: 0.1%) reflecting reduced work capacity in compliance to containment measures, labour shortages due to international border closures, supply chain disruptions and site shutdowns following the COVID-19 outbreak. Growth in the second quarter of the year was mainly weighed by the suspension of almost all construction work in March and April. Despite some relaxation in operating constraints in May, most project sites remained idle, as developers experienced financial, compliance, and supply-chain challenges in resuming work. Nonetheless, activity improved in the second half of 2020 given better clarity and compliance with operating guidelines, more pervasive COVID-19 testing on workers and extended hours for construction activity. In addition, the rollout of stimulus packages supported many small-scale projects, and spurred growth in the special trade subsector in the second half of 2020. Activity in the residential and non-residential subsectors benefitted from new housing projects and ramp up in progress of projects due for completion respectively in the second half of 2020, while the civil engineering subsector was supported by continued progress in large infrastructure projects.

(Source: Economic, Monetary and Financial Developments in 2020, Bank Negara Malaysia)

The construction sector contracted by a smaller rate of 10.4% in the first quarter of 2021 (4Q 2020: -13.9%). Activity was supported by the ramp up of construction works in commercial projects that are nearing completion and the continued implementation of small-scale projects. This resulted in a strong positive growth in the special trade subsector. However, activity in the residential, nonresidential and civil engineering subsectors remained weak, affected by labour shortages and site shutdowns due to COVID-19 outbreaks. The implementation of the Second MCO also weighed on growth, as activity in construction sites that did not meet the conditions to operate were halted.

(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2021, Bank Negara Malaysia)

The construction sector registered a strong positive growth of 40.3% (1Q 2021: -10.4%). Growth was supported by the continuation of construction works in large infrastructure projects and on-going implementation of small-scale projects under the 2021 Budget, PEMERKASA and PEMERKASA+ stimulus packages. However, on a seasonally adjusted, quarter-on-quarter basis, construction growth declined by 3.2%. Activity was disrupted by the restrictions under Phase 1 of the Full MCO (FMCO), where only essential construction projects were allowed to operate, albeit at a reduced capacity.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. Among the major infrastructure projects include 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. Utility projects include the Langat 2 Water Treatment Plant, Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (Phase 1).

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign, exemption of Real Property Gain Tax, the introduction of Rent-to-Own scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

7.4 Overview and outlook of the timber industry in Malaysia

The Ministry of Plantation Industries and Commodities ("**MPIC**") is confident Malaysia's export of timber and timber products can reach RM23 billion this year, following the arrival of the COVID-19 vaccines. Its Minister Datuk Dr Mohd Khairuddin Aman Razali said the ministry through the Malaysia Timber Industry Board (MTIB) and Malaysian Timber Council (MTC) would strive to ensure the local wood-based industry will remain competitive in both the domestic and global markets. At the same time, he urged MPIC to always monitor the industry so that it complies with the standard operating procedures (SOPs) set by the government. "The ministry is confident the export performance is able to achieve RM23 billion in 2021 especially with the availability of the vaccines which are expected to ease the COVID-19 transmission. "The economic recovery in major timber importing countries such as the United States (US) and China, as well as increasing demand from other countries would drive the wood industry to remain positive throughout 2021," he said in a statement today.

Mohd Khairuddin shared the export performance of timber-based products for 2020 which recorded a good achievement, although the COVID-19 pandemic has still not ended. He said the export value stood at RM22.02 billion, recording a decline of only 2.0%, compared with RM22.5 billion in 2019. "The performance reflected a positive recovery phase when compared other industries which recorded huge contraction due to the challenges in raw material supply and market demand brought about by the impact of the COVID-19 pandemic. "Export value of timber products started to increase on a monthly basis from May to December 2020 which was during the recovery phase. Companies producing wood-based products particularly furniture, plywood, moulding, and joinery revived their operations to meet orders from the export market," he said.

According to him, the performance of high-value-added products such as furniture, joinery and moulding registered an 11 per cent growth with export value of RM12.3 billion compared with RM11.1 billion in 2019. Out of this, wooden furniture remained as the major product with an export growth of 16% to RM10.6 billion, from RM9 billion in 2019. However, wood joinery and moulding saw a decline of 6.0% and 21% to RM972 million and RM688 million against RM1 billion and RM872.1 million respectively in 2019. Meanwhile, export of sawn timber which is a key product recorded a decrease of 29% to RM2.4 billion, from RM3.4 billion in the previous year. Besides that, export of plywood for 2020 fell 17% to RM2.8 billion, compared with RM3.8 billion in 2019. This was because of the drop in export to Japan which is a major buyer of Malaysian plywood due to the contraction in the construction industry, as well as competition from other producing countries such as Indonesia and China.

"The major markets for timber products which recorded growth were the US and China. Both markets accounted for 44% of Malaysia's total exports. "The US recorded an increase of 50% to RM7.4 billion, compared with RM5 billion in 2019," said Mohd Khairuddin. He added that the growth was influenced by the US government's economic stimulus for the construction industry during the COVID-19 pandemic and growth in e-commerce, which led to the increase in demand for Malaysia's timber products. China, meanwhile, registered an increase of 23% to RM2.3 billion in 2020, against RM1.8 billion in 2019.

(Source: Media release entitled "Export of timber, timber products to hit RM23 bil in 2021, 21 February 2021, MPIC)

7.5 Overview and outlook of the durian industry in Malaysia

Malaysia's planted area of durian crops witnessed a decline from 73.7 thousand hectares in 2014 to 72.4 thousand hectares in 2017 before moderating at 70.3 thousand hectares in 2019. Nonetheless durian production rose from 351.5 thousand metric tonnes in 2014 to peak at 368.3 thousand metric tonnes in 2015 before dipping to a low of 210.9 thousand metric tonnes in 2017. In 2018, the production of durians saw improvement and rose to 342.2 thousand metric tonnes, registering a year-on-year growth rate of 62.3% compared to the production volume of 210.9 thousand metric tonnes in 2017. The long hot weather in 2018 increased the harvest of durians during the year, even in the off season. In 2019, durian production rose to 377.2 thousand metric tonnes at a year-on-year growth rate of 10.3%. Despite experiencing high volumes of rainfall combined with a reduced labour force, due to restrictions in place to curb the spread of COVID-19, durian production rose from 377.3 thousand metric tonnes in 2019 to 405.5 thousand metric tonnes in 2020 at a year-on-year growth rate of 7.5%. 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 0.9% between 2020 and 2030.

The majority of export-oriented fresh durian production is in Peninsular Malaysia, mainly in the states of Pahang, Johor, Kelantan and Perak. Johor was the second largest durian producing state in Malaysia with a production volume of 91.0 thousand metric tonnes in 2019, behind Pahang's production of 93.1 thousand metric tonnes.

Domestic durian prices have been on an upward trend since 2015 with average ex-farm, wholesale and retail prices rising at CAGR of 34.2%, 37.1% and 32.6% respectively between 2015 and 2019. Limited production and increasing demand from the export markets, particularly from Singapore, Hong Kong Special Administrative Region ("**Hong Kong**") and China, have resulted in an increase in durian prices. In May 2019, China approved the import of frozen whole durians from Malaysia, further widening the market for Malaysian durians.

Malaysia is a net exporter of durian. Malaysia's exports of durian rose from USD 10.2 million (or 13.2 thousand metric tonnes) in 2014 to USD29.3 million (23.4 thousand metric tonnes) in 2018 before dipping to USD22.3 million (22.2 thousand metric tonnes) in 2019. In 2020, Malaysia's exports of durians dipped to USD17.6 million (17.0 thousand metric tonnes) at a year-on-year rate of 21.1% as lockdowns imposed to curb the spread of COVID-19 disrupted harvesting activities as well as global supply chains. The drop in Malaysia's durian exports in 2020 is expected to be short term. Providence anticipates the recovery of Malaysia's exports of durians at a year-on-year growth rate of 29.0% in 2021. In comparison, Malaysia's imports of durians rose from USD4.3 million to USD4.8 million between 2014 and 2018 before dipping to USD4.1 million in 2019. In 2020, Malaysia's imports of durians dipped to USD2.9 million at a year-on-year rate of 29.3%.

The demand for durian from Malaysia has also supported the rise in export prices. Between 2014 and 2018, the global export prices for durians from Malaysia rose from USD0.77 per kg to USD1.25 per kg and settling at USD1.00 per kg in 2019 supported by rising demand for Malaysia's durians and influenced by shortage in supply for export. In particular, the export prices for durians to the Hong Kong and China have hovered between USD9 per kg and USD13 per kg during this period, peaking at USD12.20 per kg in 2017 due to the shortage in supply for the export market. In comparison, the export prices for durians to Singapore rose from USD0.44 per kg to USD0.65 per kg between 2014 and 2019. In 2020, global export prices for durians from Malaysia moderated at USD1.04 per kg. Export prices for durians to Hong Kong and China moderated to USD6.70 per kg and USD9.14 per kg respectively. In comparison, the export prices for durians to Singapore increased marginally to USD0.68 per kg. Durian export prices in 2020 were largely affected by the COVID-19 pandemic which impacted consumer discretionary spending.

Beyond domestic consumption, the potential for Malaysia's durian industry is strongly supported by demand growth from its trading partners. Malaysia's main export partners are Singapore, Hong Kong and China, whereby between 2014 and 2020:-

- durian exports to Singapore rose from USD5.3 million in 2014 to USD13.2 million in 2019 at a CAGR of 20.0%;
- durian exports to Hong Kong rose from USD2.6 million in 2014 to USD5.5 million in 2019 at a CAGR of 16.2%; and
- durian exports to Singapore and Hong Kong dipped slightly to USD10.7 million and USD4.9 million respectively in 2020 due to supply chain disruptions arising from lockdowns imposed to curb the spread of COVID-19. This is anticipated to be a short-term impact arising from the COVID-19 pandemic, as the exports of durian are expected to recover in line with the recovery in global supply chains.

In the past, China had primarily imported durians from Thailand. Nonetheless, in recent years, China has begun shifting its demand for durians to Malaysia, specifically for the Musang King variety. Following Government negotiations, China approved the import of frozen whole durians from Malaysia in May 2019, in time for the durian season from June to September 2019. Though Malaysia has been exporting frozen durian pulp to China since 2011, this new agreement allows the whole fruit to be shipped to China commencing August 2019, where premium durians are rapidly gaining popularity. Many local orchards in Malaysia have started to ramp up their production of durians, recognising this as a growth opportunity.

Malaysia's advantage is that the flavours of ripened durian are more in line with Chinese tastes. Premium variants such as the Musang King or Mao Shan Wang durians are among the widely sought after in China due to its sticky, creamy texture and rich bittersweet flavour, and are expected to be sold there for USD29 per kg. For farmers, one hectare of Musang King trees can yield RM155,250 a year, nearly nine times RM17,500 harvest from a hectare of oil palm. This lucrative crop has prompted companies in the private sector to cash in on the trend, with some converting their palm oil estates into durian plantations.

The Government of Malaysia is leading the charge for the large-scale farming of durians, in hopes of achieving a 50% rise in exports for the fruit by 2030 and boosting the country's declining agricultural industry. According to Malaysia's then Minister of Agriculture and Agro-based Industry, Dato' Haji Salahuddin bin Ayub, durian exports to China are expected to contribute close to RM500 million to the nation's total export value annually.

In August 2019, the FAMA announced its intentions to cultivate durian on idle endowment land especially on the fringes of towns and isolated areas nationwide. Further, the private sector-led, multi-stakeholder Electronic World Trade Platform (eWTP) initiative provides resources for local durian suppliers in Malaysia to enter the Chinese market to sell its frozen whole Musang King durians.

According to the Commercial Counsellor at the Embassy of the People's Republic of China in Malaysia, Shi Ziming, the interest from Chinese consumers for the fruit has not waned although the supply chain for Malaysian durian was affected early 2020 due to the COVID-19 pandemic, with demand picking up once the pandemic was successfully controlled. Presently, durian from Malaysia is available in several major cities in China and via online platforms.

Despite the COVID-19 pandemic and the off-season period, Malaysia's exports of durian to China in the first quarter of 2020 was equivalent to that in the first quarter of 2019 (approximately USD22 million), illustrating that Malaysia's durian export to China was not affected. The sales of Malaysian durians in China began rising following promotions organised by Chinese e-commerce fresh fruit platform FreshHema and takeaway food platform Meituan Waimai in March 2020 and May 2020 respectively.

(Source: Independent market research report dated 10 September 2021, Providence)

7.6 Future prospects of FBG Group

FBG Group is principally involved in the core businesses of construction, property development and, logging and timber trading. We are also involved in the trading of construction materials, provision of transportation and logistic services, and investment holding activities. In addition, our Group had internally set up a new line of business, namely the plantation activities, in 2019 when we had commenced planting of durian within existing agricultural land located in Mukim Si Rusa, Port Dickson. Furthermore, our Group had in August 2020 obtained a moneylender license issued by the Ministry of Housing and Local Government, and that our Group had yet to commence on money lending business as at the LPD.

A summary of the segmental revenue and PBT/ (LBT) of FBG Group based on our audited consolidated financial statements for the past 2 financial years up to the FYE 30 June 2020 as well as the latest unaudited 9-month FPE 31 March 2021 is as follows:-

	FYE 30 June 2019		FYE 30 June 2020		9-month FPE 31 March 2021	
	RM'000	%	RM'000	%	RM'000	%
Revenue	333,299	100.00	234,607	100.00	106,508	100.00
Construction	224,792	67.44	178,740	76.19	61,186	57.45
Property development	78,277	23.49	46,668	19.89	30,055	28.22
Logging & timber trading	80,448	24.15	30,224	12.88	20,186	18.95
Trading of construction materials	30,701	9.21	22,317	9.51	10,406	9.77
Transportation and logistics	1,490	0.44	1,173	0.50	1,050	0.99
Investment holding	21,820	6.54	10,135	4.32	11,602	10.89
Adjustment/ elimination*	(104,229)	(31.27)	(54,650)	(23.29)	(27,977)	(26.27)
PBT/ (LBT)	41,686	100.00	38,257	100.00	30,206	100.00
Construction	(12,515)	(30.03)	27,304	71.37	2,337	7.74
Property development	18,754	44.99	3,026	7.91	16,984	56.23
Logging & timber trading	34,624	83.06	7,635	19.96	10,630	35.19
Trading of construction materials	196	0.47	(71)	(0.19)	(282)	(0.93)
Transportation and logistics	19	0.05	(167)	(0.44)	(204)	(0.68)
Investment holding	608	1.46	530	1.39	837	2.77
Plantation	-	-	-	-	(96)	(0.32)

Note:-

- * Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Accordingly, each segment revenue was before the elimination of the inter companies transactions.

Based on the table above, the construction segment remains our key revenue driver, followed by property development and logging & timber trading segments. The prospect in relation to each of the core segment of our Group are elaborated hereinbelow:-

Construction segment

The construction business is our main revenue driver. We have an established track record in participating in and completion of various infrastructure projects, such as railway, hospital, road/ bridges and airport projects. As at the LPD, our Group's outstanding construction order book stands at approximately RM339.0 million, as summarised below:-

Project location	description/	Commencement/ expected completion date	Total contract value RM'000	Outstanding order book as at LPD RM'000	Stage of completion as at LPD %
Main building works (Phase 1 & 2) for Duta Park Residences, Kuala Lumpur		30.08.2019 (Phase 1), 21.08.2020 (Phase 2)/ 25.11.2022 (Phases 1 & 2)	405,575	335,501	19.78

High-rise residential development located along Jalan Kuching, Kuala Lumpur comprising of 3 blocks: Tower A (46-Storey), B (49-Storey) and C (30-Storey) with a 13-storey common podium block that consists of basement car park, podium car park and facility floors

Project location	description/	Commencement/ expected completion date	Total contract value RM'000	Outstanding order book as at LPD RM'000	Stage of completion as at LPD %
Earthwork Package for Sultan Abdul Aziz Shah Airport, Subang		12.04.2021/ 11.10.2021	3,889	3,544	8.87*
	Proposed Development of Business Aviation 1 (BA-1) at part of Lot 1210 (Plot L & H), Sultan Abdul Aziz Shah Airport, Subang, Selangor				
Total			409,464	339,045	

Note:-

- * Our Group's work progress for the earthwork package for Sultan Abdul Aziz Shah Airport, Subang has been delayed due to the on-going COVID-19 pandemic and the government lockdowns imposed, which are beyond our control. Nevertheless, we intend to seek extension of completion timeframe with our customer prior to the expected delivery date on 11 October 2021. Premised on on-going discussion held with our customer and the extension of time to be sought by us, we do not foresee any LADs that may be enforced against us.

Our Group's outstanding order book is expected to provide earnings visibility over the 2 years. Our prospect in the construction industry is, to a certain extent, dependent on the continuation of major infrastructure projects such as the East Coast Rail Link (ECRL), Mass Rapid Transit Line 3 (MRT 3), and Penang Transport Master Plan (PTMP). These large-scale rail projects are among the measures taken by the Government to boost the country's growth as part of the economic recovery plan. Construction players, such as FBG Group, are expected to benefit from the increased construction activities associated with these projects, including potential developments of the surrounding areas. For shareholders information, our Group had in the past, participated in the construction of the Light Rapid Transit (LRT) stations and depot of the Ampang and Kelana Jaya Line (formerly known as Putra LRT 2 extension), rehabilitation of tracks between Jerantut to Gua Musang Railway Station (Package B), refurbishment of Tenancy Area at Air Cargo Terminal 1 as well as expansion and renovation for Integrated Parcel Sortation Centre at Kuala Lumpur International Airport, and the building of Port Link Road and Port Expansion for the Kuantan Port City (KPC) in Kuantan.

Like any other major construction players, our Group's construction activities were temporarily affected throughout 2020 since the imposition of First MCO to curb the COVID-19 outbreak. We have since embarked on cost optimisation program in our construction operations by closely monitoring the progress of project execution and reviewing cost management from time to time. Through this, our management has sought to reassess the monthly expenditure vis-à-vis financial budget and performance, and are therefore able to effect certain cost control measures throughout certain units of operations to offset any foreseeable potential loss of revenue and/ or additional cost of compliance with the SOPs.

Notwithstanding the above, our Group remained focused on the execution of existing order book and at the same time, will continuously seek to explore further opportunities to tender and participate in private and/ or public projects as means to replenish and build up our order book. As at the LPD, our Group has submitted for 7 tenders for various construction projects amounting to approximately RM840 million in aggregate, all of which are pending customers' acceptance as at the LPD.

Property development segment

Our Group had recently in February 2021 completed the development and handover of Rica Residence @ Sentul project located at Jalan Kovil Hilir, Sentul, Kuala Lumpur, which comprise a 39-storey serviced apartment and has a total of 473 units with built-ups ranging from 650 sq ft to 1,200 sq ft. The said project, with a carrying GDV of RM292.29 million and GDC of RM234 million, has recorded a take-up rate of approximately 78% as at the LPD.

As part of the long term growth objective for property development arm, we remain focused on the planned developments of "Rica Residence" series property projects in Malaysia. As at the LPD, our Group's land bank held for property development activities stood at approximately 10 acres, which is predominantly located in Puchong, Selangor and Pulau Melaka, Melaka.

A summary of our Group's planned future property development projects are as follows:-

Project description/ location	Expected commencement/ completion date	Estimated GDV RM'000	Estimated GDC RM'000
Rica Residence @ Kinrara Proposed high-rise residential development project comprising of 475 condominium units and 204 "Rumah Mampu Milik" units split across 3 blocks (Block A: 227 units, Block B: 248 units and Block C: 204 units), located at Puchong, Selangor	Fourth quarter of 2021/ Fourth quarter of 2024	395,900	324,700
Rica Residence @ Malacca (Phase 1) Proposed high-rise 26-storey service apartment project comprising of 160 units, located at Pulau Melaka, Melaka	Fourth quarter of 2022/ Fourth quarter of 2025	77,600	65,900
Total		473,500	390,600

Against the backdrop of global and regional economic headwinds, COVID-19 pandemic, lukewarm buying sentiment in property market and unresolved property overhang, the property market in Malaysia has remained uncertain and challenging to many property developers. Amid the challenging environment, various measures under Budget 2021 was announced by the Government to stimulate the economy and in particular, measures to address the issues affecting the lukewarm property market. This include, amongst others, extension of full stamp duty exemption on instruments of transfer, loan agreements for first time home buyers until 31 December 2025 (for home prices up to RM500,000), and roll-out of Rent-to-Own (RTO) programme worth RM1 billion for first time home buyers until 2022. This proposed measure would help to stimulate the property market and provide financial relief to home buyers.

Notwithstanding the above, against the backdrop of the COVID-19 pandemic and the challenging outlook of the property market, we remain cautiously optimistic on the overall prospects of the property market in the near term.

Logging & timber trading

Our Group had in 2014 diversified its business into logging and timber trading following the approval obtained from shareholders at an extraordinary general meeting convened on 24 June 2014. As at the LPD, our Group operates logging activities at the following timber concession areas:-

- Hutan Simpan Yong, Jerantut, Pahang - with 8.9% remaining acres yet to be logged; and
- Hutan Simpan Som, Hutan Simpan Tekam and Hutan Simpan Tekai Tembeling (Tambahan), Jerantut, Pahang - with 60.7% remaining acres yet to be logged.

After carrying out the logging activities, the abovementioned concession areas shall be surrendered back for reforestation or replanting of oil palm that may be carried out by timber concession owners or through its appointed contractors (excluding our Group).

In addition, our Group also has been appointed as the sole and exclusive contractor for the concession rights to extract and remove timber logs in accordance to Malaysian Criteria and Indicators (MC&I) and MS ISO 2000:2008 standards and guidelines, save for the 32 species of trees which comprise of fruit trees and other trees that serve as food sources for fauna, from the following timber concession areas:-

- Hutan Simpan Tekai Tembeling, Jerantut, Pahang (approximate area of 1,000 acres);
- Hutan Simpan Berkelah, Jerantut, Pahang (approximate area of 1,423 acres); and
- Hutan Simpan Tekai Tembeling, Jerantut, Pahang (approximate area of 500 acres).

In respect of our operations in Hutan Simpan Yong, we take cognisance that the logging contract secured for this area is approaching the tail end of operation. In anticipation thereto, we are on the look-out for strategic areas for logging and timber extraction opportunities to replenish and expand our Group's source of income from the logging & timber trading segment. At this juncture, we are in preliminary discussion with timber concessionaire/ rights holder and/ or timber operators as well as in the midst of look-out for strategic location(s) that can ensure economic viability in the long run.

Further to the above core segments and as mentioned earlier hereinabove, FBG Group had internally set up a new line of business in 2019, namely the plantation activities. In respect of the plantation segment, we have earmarked durian plantation as a viable business to venture into in the long term. In line with our plantation business initiative, we have commenced the durian planting activities involving the planting of about 1,000 durian trees of Musang King and Black Thorn species within agricultural land measured approximately 38 acres located in Mukim Si Rusa, Port Dickson. Our Group incurred a total operating expenditure of approximately RM1.1 million to undertake and execute the said planting initiatives, which has since been completed in early 2020. Barring any unforeseen circumstances, our Board envisages that the durian plantation may contribute to the future earnings of our Group in the long term, in view of the gestation period from planting to durian fruiting/ harvesting which can typically span over 5-7 years.

In order to expand our durian planting initiatives under the plantation segment, we intend to secure or accumulate more land parcels for plantation activities, as means to scale up the business growth for durian sales in the longer term upon ready for harvesting. In doing so, we may enter into agreement(s) with the plantation landowners under a contract farming basis for the right to use the land for a period of time, in which our Group will bear responsibility to plant, operate, maintain and harvest the fruits/ orchards from the plantation land. At this juncture, we are currently on the look-out to source for any potential engagement with landowner(s) for purpose of undertaking such business arrangement, taking also into consideration factors such as suitable and strategic location (i.e. soil condition, terrain and size of location) for durian plantation activities.

Barring any unforeseen circumstances, our Board, after having considered all the relevant aspect, including the rationale, industry outlook and the overall prospect of our Group premised on the above, is of the view that the Rights with Warrants may augur positively for our Group's long term growth and future prospects.

(Source: Management of FBG)

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:-

	<-----Minimum Scenario----->		<-----Maximum Scenario----->	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	373,882,456	194,302,598	373,882,456	194,302,598
Issuance of Rights Shares	28,260,600	1,177,525 ^{*1}	373,882,456	15,578,436 ^{*1}
	<u>402,143,056</u>	<u>195,480,123</u>	<u>747,764,912</u>	<u>209,881,034</u>
Shares to be issued arising from the full exercise of Warrants	28,260,600	12,152,058 ^{*2}	373,882,456	160,769,456 ^{*2}
Reversal of warrants reserve pursuant to the full exercise of Warrants	-	1,648,535 ^{*3}	-	21,809,810 ^{*3}
Enlarged issued share capital	<u>430,403,656</u>	<u>209,280,716</u>	<u>1,121,647,368</u>	<u>392,460,300</u>

Notes:-

- *1 Computed based on the no. of Rights Shares multiplied by the issue price of RM0.10 per Rights Share under respective scenario, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.
- *2 Computed based on the no. of Warrants multiplied by the exercise price of RM0.43 per Warrant under respective scenario.
- *3 Adjusted for the corresponding reversal of warrants reserve to the share capital upon the full exercise of the Warrants. The warrants reserve is computed based on the no. of Warrants multiplied by the theoretical fair value of RM0.14 each under respective scenario, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.

8.2 NA and gearing

For illustration purpose only, based on the latest unaudited consolidated interim financial statements of our Group for the FPE 31 March 2021, the pro forma effects of the Rights Issue with Warrants on our consolidated NA and gearing of FBG Group are as follows:-

Minimum Scenario

	Unaudited as at 31 March 2021 RM'000	I After the Rights Issue with Warrants RM'000	II After I and assuming the full exercise of Warrants RM'000
Share capital	194,303	195,480 ^{*1}	209,280 ^{*4}
Treasury shares	(1,655)	(1,655)	(1,655)
Warrants reserve	-	1,649 ^{*2}	- ^{*4}
Other reserves	19,499	19,499	19,499
Retained profits	144,069	143,469 ^{*3}	143,469
Shareholders' equity/ NA	356,216	358,442	370,593
No. of Shares in issue (less treasury shares) ('000)	370,807	399,067	427,328
NA per Share (RM)	0.96	0.90	0.87
Total borrowings	45,996	45,996	45,996
Gearing ratio (times)	0.13	0.13	0.12

Notes:-

- *1 Accounting for the issuance of 28,260,600 Rights Shares at the issue price of RM0.10 each, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.
- *2 Accounting for the recognition of 28,260,600 Warrants at the theoretical fair value of RM0.14 each based on the Bloomberg trinomial model, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.
- *3 After deducting the estimated expenses of RM0.60 million in relation to the Rights Issue with Warrants.
- *4 Assuming all the Warrants are exercised at the exercise price of RM0.43 each and adjusting for the corresponding reversal of warrant reverse to the share capital upon the full exercise of the Warrants.

Maximum Scenario

	Unaudited as at 31 March 2021 RM'000	I Assuming the resale of treasury shares RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming the full exercise of Warrants RM'000
Share capital	194,303	194,303	209,881 ^{*1}	392,460 ^{*4}
Treasury shares	(1,655)	-	-	-
Warrants reserve	-	-	21,810 ^{*2}	- ^{*4}
Other reserves	19,499	19,499	19,499	19,499
Retained profits	144,069	144,069	143,469 ^{*3}	143,469
Shareholders' equity/ NA	356,216	357,871	394,659	555,428
No. of Shares in issue (less treasury shares, if any) ('000)	370,807	373,882	747,765	1,121,647
NA per Share (RM)	0.96	0.96	0.53	0.50
Total borrowings	45,996	45,996	45,996	45,996
Gearing ratio (times)	0.13	0.13	0.12	0.08

Notes:-

- *1 Accounting for the issuance of 373,882,456 Rights Shares at the issue price of RM0.10 each, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.
- *2 Accounting for the recognition of 373,882,456 Warrants at the theoretical fair value of RM0.14 each based on the Bloomberg trinomial model, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account.
- *3 After deducting the estimated expenses of RM0.60 million in relation to the Rights Issue with Warrants.
- *4 Assuming all the Warrants are exercised at the exercise price of RM0.43 each and adjusting for the corresponding reversal of warrant reverse to the share capital upon the full exercise of the Warrants.

8.3 Earnings and EPS

The Rights Issue with Warrants, which is expected to be completed in the fourth quarter of 2021, is not expected to have any material effect on the earnings of FBG Group for the FYE 30 June 2022. However, there will be a dilution in the EPS of FBG Group for the FYE 30 June 2022 due to the increase in the number of FBG Shares in issue arising from the Rights Issue with Warrants. Notwithstanding that, the Rights Issue with Warrants is expected to contribute positively to the future earnings of FBG Group in the ensuing financial years via the utilisation of the proceeds.

Minimum Scenario

	Audited as at 30 June 2020	I After the Rights Issue with Warrants	II After I and assuming full exercise of the Warrants
PAT attributable to shareholders of our Company (RM'000)	32,441	32,441	32,441
No. of Shares issued ('000)	370,807	399,067	427,328
Basic EPS (sen)	8.75	8.13	7.59

Maximum Scenario

	Audited as at 30 June 2020	I After the Rights Issue with Warrants	II After I and assuming full exercise of the Warrants
PAT attributable to shareholders of our Company (RM'000)	32,441	32,441	32,441
No. of Shares issued ('000)	370,807	747,765	1,121,647
Basic EPS (sen)	8.75	4.34	2.89

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital

Our Group's working capital requirements is funded by a combination of internal and external sources of funds. Our internal sources of funds are generated from our operating activities as well as our cash and bank balances, whereas our external sources of funds are derived from credit extended by suppliers and credit facilities from licensed financial institutions.

As at 30 August 2021, our Group has a total cash and bank balances of approximately RM67.1 million as well as fixed deposits with licensed banks of approximately RM10.3 million.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing fixed deposits, cash and bank balances, banking facilities available to our Group as well as the proceeds to be raised from the Rights Issue with Warrants as set out in Section 4 of this Abridged Prospectus and also the outlook of the industries in which we operate in as a result of the prolonged impact of the COVID-19 pandemic, we will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at 30 August 2021, our Group has total outstanding borrowings of approximately RM17.9 million. All of our borrowings are interest-bearing, further details of which are set out as follows:-

	Purpose of facility	Effective annual interest rate %	Outstanding as at the LPD RM'000
Long term borrowings:-			
Hire purchase payables	To finance the purchase of the heavy equipment relating to construction project	5.44	3,876
			3,876
Short term borrowings:-			
Hire purchase payables	To finance the purchase of the heavy equipment relating to construction project	5.44	3,111
Invoice financing facility	To finance the purchase of the construction and building materials	3.58	1,030
Revolving credit	To finance the purchase of the construction and building materials	3.95	9,855
			13,996
Total			17,872

There have been no default on payments by our Group of either interest and/ or principal sums nor any breaches of covenants in respect of any borrowings during the FYE 30 June 2020 and the subsequent financial period up to 30 August 2021.

9.3 Contingent liabilities

Save as disclosed below, our Board is not aware of any contingent liabilities incurred or known to be incurred by FBG Group which, upon becoming enforceable, may have a material impact on the financial results/ position of FBG Group:-

	RM'000
Performance and tender bond granted to contract customers	<u>38,864</u>

9.4 Material commitments

Save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by FBG Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of FBG Group:-

	RM'000
Approved and contracted for property, plant and equipment (i.e. Self-Climbing Platform)	<u>3,176</u>

9.5 Material transactions

Save for the Rights Issue with Warrants, there are no other material transactions which may have a material effect on the operations, financial position and results of FBG Group since the date of FBG Group's latest audited consolidated financial statements for the FYE 30 June 2020 and most recent announced unaudited interim consolidated financial statements for the 9-month FPE 31 March 2021.

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10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

This Abridged Prospectus and the RSF are also available from our registered office, our Share Registrar or from Bursa Securities' website (<https://www.bursamalaysia.com>).

10.2 NPA

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You, your renounees and/ or transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Methods of acceptance and application

You may subscribe for the Provisional Rights Shares with Warrants as well as apply for Excess Rights Shares with Warrants, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Entitled Shareholders

10.4 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares with Warrants and the Excess Application is the Closing Date.

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

10.5 Procedure for full acceptance and payment

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU, YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL RIGHTS SHARES WITH WARRANTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

YOU, YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

ACCEPTANCES AND/ OR PAYMENTS FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS WHICH DO NOT STRICTLY CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU, YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) FOR SUCH ACCEPTANCES.

i. By way of RSF

Acceptance of and payment for the Provisional Rights Shares with Warrants must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF.

If you, your renounees and/ or transferees (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERY BY HAND** to the address stated below:-

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel. No.: 03-2783 9299

Fax. No.: 03-2783 9222

OR

Customer Service Centre
Unit G-3 Ground Floor
Vertical Podium Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive **not later than the Closing Date**, being the last date and time for acceptance and payment for the Provisional Rights Shares with Warrants.

If you, your renounees and/ or transferees (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you, your renounees and/ or transferees (if applicable) may obtain additional copies from your stock broker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (<https://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of the Provisional Rights Shares with Warrants standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants subscribed for will be credited into your respective CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares with Warrants that can be subscribed for or accepted is 1 Rights Shares with Warrants. However, you, your renounees and/ or transferees (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you, your renounees and/ or transferees (if applicable) is not received by our Share Registrar by **the Closing Date**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants, you, your renounees and/ or transferees (if applicable) will be deemed to have declined the Provisional Rights Shares with Warrants and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.9 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "FBG RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

ii. By way of e-Subscription

You, your renounees and/ or transferees (if applicable) can have the option to accept your or their entitlement to the Provisional Rights Shares with Warrants and payment for the Provisional Rights Shares with Warrants through e-Subscription available from TIIH Online website at <https://tiih.online>. The e-Subscription is available to all Entitled Shareholders including individuals, corporations or institutional shareholders.

Subsequent to the Entitlement Date, we will, at our discretion, authorise the Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue with Warrants on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

Registered Entitled Shareholders who wish to subscribe for the Provisional Rights Shares with Warrants and apply for Excess Rights Shares with Warrants by way of e-Subscription shall take note of the following:-

- i. any e-Subscription received by the Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- ii. you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the Rights Shares Warrants which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- iii. the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at our sole discretion. We reserve the right at our absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- iv. the number of Rights Shares with Warrants you are entitled to under the Rights Issue with Warrants is set out in the e-RSF. You are required to indicate the number of Rights Shares with Warrants you wish to accept and number of Excess Rights Shares with Warrants you wish to apply in the e-RSF;

- v. the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;
- vi. a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- vii. the new Shares arising from the Rights Shares with Warrants accepted and Excess Rights Shares with Warrants applied (if successful pursuant to the procedure for Excess Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Rights Shares with Warrants.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Rights Shares with Warrants, please read and follow the procedures set below: -

i. Sign up as a user of TIIH Online

- a. Access TIIH Online at <https://tiih.online>;
- b. Under e-Services, select "Sign Up" – "Create Individual Account" (applicable for individual shareholders) or "Create Corporate Holder Account" (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance;
- c. Registration will be verified and you will be notified by email within two working days; and
- d. Proceed to activate your account with the temporary password given in the email and reset your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

ii. Procedures to make e-Subscription

Individual Registered Entitled Shareholders

- a. Login to TIIH Online at <https://tiih.online>;
- b. Select the corporate exercise name: FBG Rights Issue with Warrants;
- c. Read and agree to the Terms & Conditions and confirm the Declaration;
- d. Preview your CDS Account details and your Provisional Rights Shares with Warrants;
- e. Select the relevant CDS Account and insert the number of Rights Shares with Warrants to subscribe and the number of Excess Rights Shares with Warrants to apply (if applicable) in the e-RSF;

- f. Review and confirm the number of Rights Shares with Warrants which you are subscribing and the number of Excess Rights Shares with Warrants you are applying (if applicable) and the total amount payable for the Rights Shares with Warrants and Excess Rights Shares with Warrants (if applicable);
- g. Review the payment of stamp duty at RM10 for each e-RSF and handling fee of RM5 for each e-RSF which is included in the total amount payable;
- h. Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account;
- i. As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address; and
- j. Print the payment receipt and your e-RSF for your reference and record.

Corporation or institutional Registered Entitled Shareholders

- a. Login to TIIH Online at <https://tiih.online>;
- b. Select the corporate exercise name: FBG Rights Issue with Warrants;
- c. Agree to the Terms & Conditions and Declaration;
- d. Proceed to download the "e-RSF file of Provisional Rights Shares with Warrants";
- e. Preview the respective CDS Account details and its Provisional Rights Share with Warrants;
- f. Arrange to pay for the subscription of Rights Shares with Warrants and Excess Rights Shares with Warrants via telegraphic transfer into our designated bank account as follows:-

Account Name:	FBG RIGHTS ISSUE ACCOUNT	FBG EXCESS RIGHTS ISSUE ACCOUNT
Bank:	Malayan Banking Berhad	Malayan Banking Berhad
Bank Account No.:	514012446782	514012446799

- g. Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into our Share Registrar's bank account as follows:-

Account Name:	TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

- h. Once payments are completed, prepare the submission of your subscriptions by translating the data into the "e-RSF file on the Provisional Rights Shares with Warrants";
- i. Login to TIIH Online, select corporate exercise name: FBG Rights Issue with Warrants and proceed to upload the subscription file duly completed;
- j. Select "Submit" to complete your submission; and
- k. Print the confirmation report of your submission for your record.

iii. Terms and conditions for e-Subscription

The e-Subscription of Rights Shares with Warrants and Excess Rights Shares with Warrants (if successful), shall be made on and subject to the terms and conditions appearing herein:-

- a. After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:-
 - i. you have attained 18 years of age as at the last day for subscription and payment;
 - ii. you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/ or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood; and
 - iii. you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- b. you agree and undertake to subscribe for and to accept the number of Rights Shares with Warrants and Excess Rights Shares with Warrants applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with Warrants that may be allotted to you;
- c. by making and completing your e-Subscription, you, if successful, request and authorise the Share Registrar or our Company to credit the Rights Shares with Warrants allotted to you into your CDS Account;
- d. you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or the Share Registrar and irrevocably agree that if:-

- i. our Company or the Share Registrar does not receive your e-Subscription; or
 - ii. data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or the Share Registrar for the Rights Shares with Warrants accepted and/ or Excess Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the e-Subscription;
- e. you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- f. by making and completing an e-Subscription, you agree that:-
- i. in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Rights Shares with Warrants and Excess Rights Shares with Warrants applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - ii. the Share Registrar will not be liable for any delay , failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- g. the Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- h. notification on the outcome of your e-Subscription for the Rights Shares with Warrants and Excess Rights Shares with Warrants will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:-
- i. successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Provisional Rights Shares with Warrants; or
 - ii. unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Provisional Rights Shares with Warrants.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS, THEIR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by the Closing Date, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled.

Our Board will then have the right to allot any Rights Shares with Warrants not validly taken up to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 10.9 of this Abridged Prospectus.

10.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Rights Shares with Warrants provided always that the minimum number of Rights Shares with Warrants that can be subscribed for or accepted is 1 Rights Share with Warrant B. Fractions of a Rights Share with Warrant B, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.5 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants that have not been accepted will be made available to the applicants of the Excess Application.

10.7 Procedure for sale or transfer of the Provisional Rights Shares with Warrants

As the Provisional Rights Shares with Warrants are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to 1 or more person(s) through your stock brokers for the period up to the last date and time for sale or transfer of the Provisional Rights Shares with Warrants, without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I(A) and II of the RSF. Please refer to Sections 10.5 and 10.6 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to any stock broker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchasers or transferees of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from their stock brokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on the website of Bursa Securities (<https://www.bursamalaysia.com>).

10.8 Procedure for acceptance by renounees and/ or transferees

Renounees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares with Warrants must obtain a copy of the RSF from their stock brokers or our Share Registrar, or at our Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5 and 10.6 of this Abridged Prospectus also applies to renounees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares with Warrants.

RENOUNCEES AND/ OR TRANSFEREES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.9 Procedure for application of Excess Rights Shares with Warrants

i. By way of RSF

You, your renounees and/ or transferees (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar **not later than the Closing Date**, being the last date and time for application and payment for the Excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5.1 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "FBG EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

ii. By way of e-Subscription

If you are an Entitled Shareholder, their renounees and/ or transferees (if applicable) who is an individual, you may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Rights Shares with Warrants. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and
- iv. Finally, for allocation to renounees and/ or transferees (if applicable) who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by the Entitled Shareholders, their renounees and/ or transferees (if applicable) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to the Entitled Shareholders, their renounees and/ or transferees (if applicable) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as our Board deems fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis manner, and that the intention of our Board as set out in steps (i)-(iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.10 Form of issuance

Bursa Securities has already prescribed FBG Shares to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to all dealings in the Rights Shares and Warrants. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you, your renounees and/ or transferees (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares with Warrants are provisionally allotted to the Entitled Shareholders in respect of their existing FBG Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Rights Shares with Warrants shall mean that they consent to receive such Rights Shares and Warrants as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his or her CDS Account number in the space provided in the RSF. The Rights Shares and Warrants will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in Section 10.9 of this Abridged Prospectus.

10.11 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders, their renounees and/ or transferees (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) are or may be subject. Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders, renounees and/ or transferees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or UOBKH in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

- i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) are or may be subject to;
- ii. the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants;
- iii. the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- iv. the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- v. the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) have received a copy of this Abridged Prospectus, have access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and
- vi. the Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of the Abridged Prospectus and we reserve the right to reject a purported acceptance of the Provisional Rights Shares with Warrants from any such application by Foreign Entitled Shareholders, renounees and/ or transferees (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Provisional Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

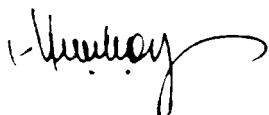
11. TERMS & CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms & conditions set out in the Documents enclosed herewith.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board
FAJARBARU BUILDER GROUP BHD



TAN SRI CHAN KONG CHOY
Independent Non-Executive Chairman

APPENDIX I - INFORMATION ON OUR COMPANY**1. SHARE CAPITAL**

As at the LPD, the issued share capital of FBG is RM194,302,598 comprising 373,882,456 FBG Shares (including 3,075,764 treasury shares).

2. BOARD OF DIRECTORS

The details of our Board as at the LPD are set out as follows:-

Name (Designation)	Age	Address	Nationality
Tan Sri Chan Kong Choy (Independent Non-Executive Chairman)	66	No. 10, Jalan Desa Ria, Taman Desa, Off Jalan Kelang Lama, 58100 Kuala Lumpur	Malaysian
Tan Sri Kuan Peng Ching @ Kuan Peng Soon (Non-Independent Non-Executive Deputy Chairman)	75	No. 8 Lorong Cenderai, Off Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur	Malaysian
Dato' Sri Kuan Khian Leng (Group Chief Executive Officer)	45	A2-8-1, 28 Mont' Kiara, No. 32, Jalan Kiara Mont' Kiara, 50480 Kuala Lumpur	Malaysian
Datuk Seri Lau Kuan Kam (Group Executive Director)	58	No. 3, Jalan U9/2, Kayangan Heights, 40150 Shah Alam, Selangor	Malaysian
Ir. Kong Kam Loong (Group Executive Director)	44	No. 19, Jalan Hijauan Residen 2C, Taman Hijauan Residen, 43200 Cheras, Selangor	Malaysian
Dato' Ismail Bin Haji Omar (Independent Non-Executive Director)	82	3, Jalan 8, Kemensah Heights, 68000 Hulu Kelang, Selangor	Malaysian
Dato' Lim Siew Mei (Non-Independent Non-Executive Director)	39	No. 9, Taman Desa Indah, 27000 Jerantut, Pahang	Malaysian
Ooi Leng Chooi (Independent Non-Executive Director)	55	30, Jalan Margosa SD10/5K, Bandar Sri Damansara, 52200 Kuala Lumpur	Malaysian

3. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of FBG Shares for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
2020		
September	0.444	0.377
October	0.411	0.357
November	0.483	0.382
December	0.570	0.464

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

	High RM	Low RM
2021		
January	0.550	0.450
February	0.755	0.470
March	0.780	0.630
April	0.755	0.685
May	0.870	0.680
June	0.820	0.700
July	0.755	0.670
August	0.740	0.685

Last transacted market price of FBG Shares as at 14 April 2021
(being the latest Market Day prior to the announcement on the Rights Issue with Warrants) RM0.725

Last transacted market price on 27 August 2021
(being the LPD prior to the printing of this Abridged Prospectus) RM0.715

Last transacted market price on 21 September 2021
(being the latest Market Day prior to the ex-date for the Rights Issue Warrants) RM0.805

(Source: Bloomberg Finance Singapore L.P.)

4. OPTION TO SUBSCRIBE FOR FBG SHARES

As at the LPD, save for the Provisional Rights Shares with Warrants and Excess Rights Shares with Warrants, no option to subscribe for our FBG Shares has been granted or is entitled to be granted to anyone.

5. MATERIAL CONTRACTS

Save for the Deed Poll, FBG Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years preceding the date of this Abridged Prospectus.

6. MATERIAL LITIGATION

Save as disclosed below, FBG Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against FBG Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of FBG Group:-

i. 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.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

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 in item 1(a) above or in the event of part payment by the due date, the outstanding balance thereof shall be subject 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, our Board is 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.

On 23 April 2021, the Claimant had successfully enforced the Arbitration Award against the Respondent pursuant to Section 38 of the Arbitration Act 2005, by way of an ex-parte Originating Summons. ("**Enforcement Order**").

On 21 May 2021, the Respondent applied to set aside the Final Award. On 31 May 2021, the Respondent applied to set aside the Enforcement Order. The Claimant is opposing both setting aside applications. The hearing of the setting aside applications is currently fixed for 28 October 2021.

ii. 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.

Based on the latest report submitted by John Wong who is the quantum expert appointed by the Claimant, he has assessed the value of the final account to be in the sum of RM 36,730,059.96. Upon taking account the payment received by Claimant, there is a sum of RM 9,228,184.63 due and owing to the Claimant.

The Claimant also has a prolongation claim against the Respondent in the sum of RM 7,740,464.94.

The Respondent's counter-claim against the Claimant is the sum of RM9,179,842.03.

Our Board is 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 parties, i.e. the Claimant and the Respondent in the arbitration proceedings in the event that the Claimant's claims are dismissed in totality and the Respondent's counter-claims are allowed.

The arbitration's Hearing dates are scheduled to commence from 11-28 July 2022 and 11-31 August 2022.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

7. KEY FINANCIAL INFORMATION

Our audited consolidated financial information for the past 3 financial years up to the FYE 30 June 2020 and our most recent announced unaudited interim consolidated financial information for the 9-month FPE 31 March 2021 together with the relevant notes are disclosed in the following documents which have been published on the website of Bursa Securities at (<https://www.bursamalaysia.com>):-

	Pages
Our annual report for the FYE 30 June 2018	
Statements of financial position	81 - 82
Statements of profit or loss and other comprehensive income	83 - 84
Statement of changes in equity	85 - 88
Statements of cash flows	89 - 91
Notes to the financial statements	92 - 181
Our annual report for the FYE 30 June 2019	
Statements of financial position	81 - 82
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The following tables sets out a summary of our Group's key financial information based on past 3 financial years up to the FYE 30 June 2020 and our most recent announced unaudited interim consolidated financial information for the 9-month FPE 31 March 2021 of comprehensive income, statements of financial position and statement of cash flows for the financial years and periods under review.

7.1 Historical financial performance

	<-----Audited----->			<-----Unaudited----->	
	FYE 30 June			9-month FPE 31 March	
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	395,630	333,299	234,607	206,974	106,508
Cost of finished goods	(86,222)	(97,804)	(66,452)	(33,443)	(9,479)
Other income	7,349	1,951	2,248	1,506	4,603
Project expenses	(210,665)	(135,099)	(104,173)	(113,232)	(55,688)
Staff costs	(17,859)	(17,188)	(16,921)	(12,393)	(10,128)
Depreciation	(1,196)	(1,293)	(1,165)	(882)	(656)
Other expenses	(29,961)	(9,154)	(7,833)	(8,322)	(4,763)
Profit from operations	57,076	74,712	40,311	40,208	30,397

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

	<-----Audited----->			<-----Unaudited----->	
	FYE 30 June			9-month FPE 31 March	
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Finance costs	(3,121)	(4,681)	(2,525)	(12,602)	(535)
Net impairment loss on financial assets and contract assets	3,329	(31,157)	(132)	-	-
Share of result in associates	1,352	2,812	603	(389)	344
PBT	58,636	41,686	38,257	27,217	30,206
Income tax expense	(17,683)	(15,176)	(2,096)	(137)	(7,109)
PAT	40,953	26,510	36,161	27,080	23,097
PAT attributable to owners of the Company	17,464	13,996	32,441	24,192	19,138
PAT margin (%)	10.35	7.95	15.41	13.08	21.69
Weighted average no. of Shares outstanding ('000)	383,679	372,773	370,807	372,793	370,807
EPS (sen)	4.72	3.75	8.75	6.49	5.16
Dividend paid per Share (sen)	1.5	1.5	1.5	-	-

Audited FYE 30 June 2020

For the FYE 30 June 2020, FBG Group recorded revenue of RM234.6 million as compared to the preceding financial year of RM333.3 million. The decrease in revenue of approximately RM98.7 million or 29.6% was mainly attributable to:-

- i. the absence of revenue contribution from the finalisation of account of the LRT 2 projects which were completed during the FYE 30 June 2019, coupled with slowdown progress billings from existing construction projects, namely the Keretapi Tanah Melayu Berhad's (KTMB) rail track rehabilitation project (Jerantut – Gua Musang), as construction works were halted temporarily and only resumed in May 2020 due to the imposition of lockdowns by the Malaysian Government. This had resulted in our construction segment recording lower revenue of RM178.7 million as compared to the preceding financial year of RM224.8 million;
- ii. the lower take-up rates from existing property development project, namely Rica Residence @ Sentul, due to the weak buyer sentiment in the property market. Rica Residence @ Sentul project had also recorded slower progress billings, as construction works were halted temporarily due to the imposition of lockdowns by the Malaysian Government. This had resulted in our property development segment recording lower revenue of RM46.7 million as compared to the preceding financial year of RM78.2 million; and
- iii. the lower revenue recorded for timber trading which was in concurrence with the scale down of logging activities throughout the MCO period. Further, our Group had also encountered a reduction in acreage of production block as well as our logging contract at Hutan Simpan Yong was approaching tail end. This had resulted in our logging & timber trading segment recording lower revenue of RM30.2 million as compared to the preceding financial year of RM80.4 million.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

For the FYE 30 June 2020, FBG Group recorded PBT of RM38.3 million as compared to the preceding financial year of RM41.7 million. The decrease in PBT of approximately RM3.4 million or 8.2% was mainly in tandem with decrease in our revenue as well as the lower share of profits recorded from our 20%-owned associate, namely Kerjaya Jutamas Sdn Bhd, of RM0.6 million as compared to the preceding financial year of RM2.8 million. The lower share of profit was mainly due to the reduced logging activities at Hutan Simpan Som, which in turn contributed to lower timber sales.

Unaudited 9-month FPE 31 March 2021

For the 9-month FPE 31 March 2021, FBG Group recorded revenue of RM106.5 million as compared to the preceding corresponding financial period of RM207.0 million. The decrease in revenue of approximately RM100.5 million or 48.6% was mainly attributable to:-

- i. the lower revenue contribution from the Keretapi Tanah Melayu Berhads' (KTMB) rail track rehabilitation project (Jerantut – Gua Musang) which was in its completion stage, coupled with slowdown in progress billings from existing construction projects, namely Duta Park Residences, as there was a scale down in construction activities in accordance with the SOPs imposed by the Malaysian Government. This had resulted in our construction segment recording lower revenue of RM61.2 million as compared to the preceding corresponding financial period of RM156.2 million; and
- ii. the absence of revenue contribution from the Rica Residence @ Sentul development project, of which the Certificate of Completion and Compliance was obtained in February 2021, and the Notice of Vacant Possession was subsequently issued to the purchasers on 10 March 2021. This had resulted in our property development segment recording lower revenue of RM30.1 million as compared to the preceding financial year of RM41.1 million.

Despite the lower revenue recorded for the 9-month FPE 31 March 2021, FBG Group managed to record PBT of RM30.2 million, which represents an increase of approximately RM3.0 million or 11.0% as compared to the preceding corresponding financial period of RM27.2 million. The increase in PBT was mainly attributable to the recognition of lower finance costs of RM0.5 million for the 9-month FPE 31 March 2021, as opposed to the RM12.6 million incurred in the preceding corresponding financial period as a result of 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.

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APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

7.2 Historical financial position

	<-----Audited----->			<-----Unaudited----->	
	FYE 30 June			9-month FPE 31 March	
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	121,489	126,712	115,202	115,827	131,575
Current assets	399,629	354,008	330,187	380,894	348,253
Total assets	520,118	480,720	445,389	496,721	479,828
Non-current liabilities	38,857	15,771	10,276	9,842	10,137
Current liabilities	178,294	161,745	108,041	159,207	100,535
Total liabilities	217,151	177,516	118,317	169,049	110,672
Share capital	194,275	194,275	194,303	194,303	194,303
Treasury shares	(1,141)	(1,141)	(1,655)	(1,229)	(1,655)
Reserves	83,055	89,889	114,134	118,170	163,568
Shareholders' funds/ NA	276,189	283,023	309,782	311,244	356,216
Non-controlling interests	26,778	20,181	17,290	16,428	12,940
Total equity	302,967	303,204	327,072	327,672	369,156
Weighted average no. of Shares outstanding ('000)	383,679	372,773	370,807	372,793	370,807
NA per share (RM)	0.71	0.76	0.84	0.83	0.96
Current ratio (times)	2.24	2.19	3.06	2.39	3.46

7.3 Historical cash flows

	<-----Audited----->			<-----Unaudited----->	
	FYE 30 June			9-month FPE 31 March	
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/ (used in)					
Operating activities	19,968	74,103	70,007	87,506	36,862
Investing activities	(43,056)	(9,123)	(1,770)	2,022	5,882
Financing activities	(510)	(70,502)	(44,229)	(9,553)	(241)
Net increase/ (decrease) in cash and cash equivalents	(23,598)	(5,522)	24,008	79,975	42,503
Effect of foreign exchange rate fluctuations	745	(2)	6	(84)	74
Cash and cash equivalents at the beginning of the financial year/ period	62,449	45,215	39,691	39,098	63,162
Cash and cash equivalents at the end of the financial year/ period	39,596	39,691	63,705	118,989	105,739

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

8. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The pro forma effects of the Rights Issue with Warrants on our substantial shareholders' shareholdings are as follows:-

Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD		After the Rights Issue with Warrants		After I and the full exercise Warrants						
	Direct	Indirect	Direct	Indirect	Direct	Indirect					
	No. of Shares	%	No. of Shares	%	No. of Shares	%					
Tan Sri Kuan	28,260,600	7.62	7,581,600 ^{*1}	2.04	56,521,200	14.16	7,581,600 ^{*1}	19.84	7,581,600 ^{*1}	19.84	1.77
Tan Sri Datuk Ta Kin Yan	39,800,000	10.73	-	-	39,800,000	9.97	-	-	39,800,000	9.31	-

Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD		Assuming the resale of treasury shares		After I and the Rights Issue with Warrants							
	Direct	Indirect	Direct	Indirect	Direct	Indirect						
	No. of Shares	%	No. of Shares	%	No. of Shares	%						
Tan Sri Kuan	28,260,600	7.62	7,581,600 ^{*1}	2.04	28,260,600	7.56	7,581,600 ^{*1}	2.03	56,521,200	7.56	15,163,200 ^{*1}	2.03
Tan Sri Datuk Ta Kin Yan	39,800,000	10.73	-	-	39,800,000	10.64	-	-	79,600,000	10.65	-	-

Substantial shareholders	After II and the full exercise of Warrants			
	Direct	Indirect		
	No. of Shares	%		
Tan Sri Kuan	84,781,800	7.56	22,744,800 ^{*1}	2.03
Tan Sri Datuk Ta Kin Yan	119,400,000	10.65	-	-

Notes:-

* Excluding treasury shares.

*1 Deemed interest by virtue of Section 8 of the Act through Unique Bay.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

9. DIRECTORS' SHAREHOLDINGS

The pro forma effects of the Rights Issue with Warrants on our Directors' shareholdings are as follows:-

Minimum Scenario

Directors	Shareholdings as at the LPD			After the Rights Issue with Warrants			After I and the full exercise Warrants		
	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares
Tan Sri Chan Kong Choy	-	-	2,473,917 ¹	2,473,917 ¹	0.67	-	2,473,917 ¹	0.62	2,473,917 ¹
Tan Sri Kuan	28,260,600	7.62	7,581,600 ²	56,521,200	14.16	7,581,600 ²	84,781,800	19.84	7,581,600 ²
Dato' Sri Kuan Khian Leng	-	-	35,842,200 ³	-	-	64,102,800 ³	-	-	92,363,400 ³
Datuk Seri Lau Kuan Kam	2,605,453	0.70	9,742,600 ⁴	2,605,453	0.65	9,742,600 ⁴	2,605,453	0.61	9,742,600 ⁴
Ir. Kong Kam Loong	105,800	0.03	-	105,800	0.03	-	105,800	0.02	-
Dato' Ismail bin Haji Omar	17,269	neg.	-	17,269	neg.	-	17,269	neg.	-
Dato' Lim Siew Mei	3,714,980	1.00	3,676,200 ⁵	3,714,980	0.93	3,676,200 ⁵	3,714,980	0.87	3,676,200 ⁵
Ooi Leng Chooi	16,900	neg.	-	16,900	neg.	-	16,900	neg.	-

Maximum Scenario

Directors	Shareholdings as at the LPD			Assuming the resale of treasury shares			After I and the Rights Issue with Warrants		
	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	%* No. of Shares	<-----Indirect-----> No. of Shares
Tan Sri Chan Kong Choy	-	-	2,473,917 ¹	-	-	2,473,917 ¹	-	-	4,947,834 ¹
Tan Sri Kuan	28,260,600	7.62	7,581,600 ²	28,260,600	7.56	7,581,600 ²	56,521,200	7.56	15,163,200 ²
Dato' Sri Kuan Khian Leng	-	-	35,842,200 ³	-	-	35,842,200 ³	-	-	71,684,400 ³
Datuk Seri Lau Kuan Kam	2,605,453	0.70	9,742,600 ⁴	2,605,453	0.70	9,742,600 ⁴	2,610,906	0.70	19,485,200 ⁴
Ir. Kong Kam Loong	105,800	0.03	-	105,800	0.03	-	211,600	0.03	-
Dato' Ismail bin Haji Omar	17,269	neg.	-	17,269	neg.	-	34,538	neg.	-
Dato' Lim Siew Mei	3,714,980	1.00	3,676,200 ⁵	3,714,980	0.99	3,676,200 ⁵	7,429,960	0.99	7,352,400 ⁵
Ooi Leng Chooi	16,900	neg.	-	16,900	neg.	-	33,800	neg.	-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Maximum Scenario (Cont'd)

Directors	III After II and the full exercise of Warrants		No. of Shares	% No. of Shares	%
	Direct	Indirect			
Tan Sri Chan Kong Choy	-	-	7,421,751 ^{*1}	-	0.66
Tan Sri Kuan	84,781,800	7.56	22,744,800 ^{*2}	2.03	2.03
Dato' Sri Kuan Khian Leng	-	-	107,526,600 ^{*3}	9.59	9.59
Datuk Seri Lau Kuan Kam	7,816,359	0.70	29,227,800 ^{*4}	2.61	2.61
Ir. Kong Kam Loong	317,400	0.03	-	-	-
Dato' Ismail bin Haji Omar	51,807	neg.	-	-	-
Dato' Lim Siew Mei	11,144,940	0.99	11,028,600 ^{*5}	0.98	0.98
Ooi Leng Chooi	50,700	neg.	-	-	-

Notes:-

- * Excluding treasury shares.
- *1 Deemed interest by virtue of Section 8 of the Act through his spouse Puan Sri Lai Yoke Lan, through his daughter Chan Kaixuan and through his sons, Chan Jiaxiang and Chan Jiaheng.
- *2 Deemed interest by virtue of Section 8 of the Act through Unique Bay.
- *3 Deemed interest by virtue of Section 8 of the Act through Unique Bay and through his father, Tan Sri Kuan.
- *4 Deemed interest by virtue of Section 8 of the Act through Top Future Holdings Sdn Bhd, through his spouse Datin Seri Low Khoon Lan and through his son, Lau Choon Xian.
- *5 Deemed interest through her sisters, Dato' Lim Siew Chee and Dato' Lim Siew Mun.

APPENDIX II - ADDITIONAL INFORMATION

1. CONSENTS

Our Adviser, company secretaries, due diligence solicitors, Share Registrar, Independent Market Researcher and Bloomberg Finance Singapore L.P. have given and have not subsequently withdrawn their written consents for the inclusion in this Abridged Prospectus of their name and all reference thereto in the form and context in which they appear in this Abridged Prospectus.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, during the normal business hours from 8.30 a.m. to 5.30 p.m. Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- i. the Undertaking provided by Undertaking Shareholder as referred to in Section 3 of this Abridged Prospectus;
- ii. the material contract as referred to in Section 5, Appendix I of this Abridged Prospectus;
- iii. the letters of consent as referred to in Section 1, Appendix II of this Abridged Prospectus; and
- iv. the independent market research report by Providence as referred to in Section 7.5 of this Abridged Prospectus.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Abridged Prospectus together with the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, they confirmed that there is no false or misleading statement or other facts which if omitted, would make any statement in the Documents false or misleading.

UOBKH, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.