

## **Notes to the Interim Financial Report**

### **A1 Basis of preparation**

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

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

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2021, except for the adoption of the following Amendments to MFRSs and IFRIC Agenda Decision that are effective for the Group from 1 July 2021:

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

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

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

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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

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

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

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

**A3 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group's annual financial statements for the year ended 30 June 2021 was not subject to any qualification.

**A4 Seasonal or cyclical factors**

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

**A5 Unusual items**

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

**A6 Changes in estimates**

Not applicable.

**A7 Significant related party transactions**

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

**A8 Movement in debt and equity securities**

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

The details of shares held as treasury shares for the period ended 31 March 2022 are as follow:

	<b>Number of Treasury shares</b>	<b>Total Considerations RM</b>
Balance as at 31 December 2021	3,075,764	1,654,910
Repurchased during the quarter	-	-
Balance as at 31 March 2022	3,075,764	1,654,910

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

**A9 Dividend paid**

There were no dividend paid during the current quarter.

**A10 Carrying Amount of revalued property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2021.

## A11 Segmental reporting

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

9 months ended 31.03.22	← Before Group's Eliminations →							Adjustment and Eliminations RM'000	Total RM'000
	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Plantation RM'000		
<b>Revenue</b>									
External Sales	62,549	6,885	49,940	368	683	326	-	-	120,751
Inter-segment sales	1,025	-	-	9,396	-	4,539	3	(14,963)	-
Total revenue	<u>63,574</u>	<u>6,885</u>	<u>49,940</u>	<u>9,764</u>	<u>683</u>	<u>4,865</u>	<u>3</u>	<u>(14,963)</u>	<u>120,751</u>
<b>Results</b>									
Profit/(Loss) from operation	(6,800)	1,516	4,892	(482)	(176)	2,840	(189)	326	1,927
Finance costs	(558)	(3)	(492)	(43)	(27)	(209)	(11)	717	(626)
Share of results in associates	-	4,017	1,072	-	-	-	-	-	5,089
Profit/(Loss) before tax	<u>(7,358)</u>	<u>5,530</u>	<u>5,472</u>	<u>(525)</u>	<u>(203)</u>	<u>2,631</u>	<u>(200)</u>	<u>1,043</u>	<u>6,390</u>
<b>Total assets</b>									
Segment assets/ Consolidated total assets	<u>188,880</u>	<u>26,179</u>	<u>168,757</u>	<u>8,783</u>	<u>505</u>	<u>514,627</u>	<u>523</u>	<u>(374,027)</u>	<u>534,227</u>

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

## A12 Events subsequent to the balance sheet date

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

## A13 Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review except as follows;-

- On 25 February 2022, the Company's wholly owned subsidiary company, Fajarbaru Land (M) Sdn Bhd, registered an associate company in Australia known as Beulah FB Fitzroy Pty Ltd. The authorised, issued and paid-up capital is AUD\$1,000.00 divided into 1,000 ordinary shares of AUD\$1.00 each.

The shareholders of Beulah FB Fitzroy Pty Ltd are as follows:-

<b>Shareholders</b>	<b>No. of Share</b>	<b>Percentage (%)</b>
Beulah Leeka Fitzroy Pty Ltd	550	55
Fajarbaru Land (M) Sdn Bhd	450	45
Total:	1,000	100

The intended principal activity of Beulah FB Fitzroy Pty Ltd is property development.

- b) On 28 March 2022, the Company's wholly owned subsidiary company, Fajarbaru Plantation Sdn Bhd, incorporated a subsidiary company, Fajarbaru Agriculture Sdn Bhd. The shares capital and the number of issued shares of Fajarbaru Agriculture Sdn Bhd is RM100.00 comprising 100 ordinary shares.

The shareholders of Fajarbaru Agriculture Sdn Bhd are as follows:-

<b>Shareholders</b>	<b>No. of Share</b>	<b>Percentage (%)</b>
Fajarbaru Planntation Sdn Bhd	91	91
Akokaya Sdn Bhd	9	9
Total:	100	100

The intended principal activity of Fajarbaru Agriculture Sdn Bhd is plantation.

- c) On 29 April 2022, the Company's wholly owned subsidiary company, Fajarbaru Land (M) Sdn Bhd, incorporated a wholly-owned subsidiary company, FB Cemara Sdn Bhd. The shares capital and the number of issued shares of FB Cemara Sdn Bhd is RM100.00 comprising 100 ordinary shares.

The intended principal activity of FB Cemara Sdn Bhd is property development.

- d) On 20 May 2022, the Company's wholly owned subsidiary company, Fajarbaru Land (M) Sdn Bhd, incorporated a subsidiary company, Fajarbaru Real Development Sdn Bhd. The shares capital and the number of issued shares of Fajarbaru Real Development Sdn Bhd is RM100.00 comprising 100 ordinary shares.

The shareholders of Fajarbaru Real Development Sdn Bhd are as follows:-

<b>Shareholders</b>	<b>No. of Share</b>	<b>Percentage (%)</b>
Fajarbaru Land (M) Sdn Bhd	55	55
Real Development Sdn Bhd	45	45
Total:	100	100

The intended principal activity of Fajarbaru Real Development Sdn Bhd is property development.

**A14 Capital commitments**

There were no capital commitments as at the end of the current quarter.

**A15 Changes in contingent liabilities**

	The Group		The Company	
	As at 31.03.22	As at 30.06.21	As at 31.03.22	As at 30.06.21
	RM'000	RM'000	RM'000	RM'000
Performance and tender bond granted to contract customers	37,320	28,735	-	-

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

### B1 Review of performance

	Individual Period (3rd quarter)			Cumulative Period		
	Current Year Quarter 31/03/2022 (RM'000)	Preceding Year Corresponding Quarter 31/03/2021 (RM'000)	Changes (%)	Current Year To-date 31/03/2022 (RM'000)	Preceding Year Corresponding Period 31/03/2021 (RM'000)	Changes (%)
Revenue	42,454	36,266	17	120,751	106,508	13
Profit/(loss) from operation	(1,570)	8,021	(120)	1,927	30,397	(94)
Profit/(loss) before interest and tax	653	8,005	(92)	7,016	30,741	(77)
Profit/(loss) before tax	365	7,746	(95)	6,390	30,206	(79)
Profit/(loss) after tax	(797)	7,000	(111)	2,738	23,097	(88)
Profit/(loss) attributable to Owners of the Company	(381)	6,931	(105)	2,421	19,138	(87)

The Group recorded a higher increase in revenue of RM42.45 million in the current quarter as compared to RM36.27 million in the preceding year corresponding quarter. The Group's profit before tax decreased to RM0.37 million as compared to RM7.75 million in the preceding year corresponding quarter. The higher revenue was mainly due to the Construction segment and the decrease in profit before tax during the current quarter was mainly due to the lesser contribution from the Property Development segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 March 2022 are as follow:

	Revenue			Profit / (Loss) before tax		
	Current Year Quarter 31/03/2022 (RM'000)	Preceding Year Corresponding Quarter 31/03/2021 (RM'000)	Changes (RM'000)	Current Year Quarter 31/03/2022 (RM'000)	Preceding Year Corresponding Quarter 31/03/2021 (RM'000)	Changes (RM'000)
<u>Segment</u>						
Construction	26,942	18,589	8,353	(4,294)	(1,222)	NM
Logging & timber trading	-	-	-	1,526	(344)	1,870
Property development	15,148	17,103	(1,955)	2,523	10,755	(8,232)
Trading	123	36	87	(40)	(49)	NM
Logistic	205	175	30	(101)	(139)	NM
Investment holding	36	363	(327)	842	(1,180)	2,022
Plantation	-	-	-	(91)	(75)	NM
Total	42,454	36,266		365	7,746	

\* NM = Non-meaningful

#### Construction Segment

In the current quarter, revenue increased to RM26.94 million as compared to RM18.59 million in the preceding year corresponding quarter. There is a higher loss before tax of RM4.29 million in the current quarter as compared to a loss before tax of RM1.22 million in the preceding year corresponding quarter.

The increase in revenue for the current quarter was mainly contributed from Duta Park project due to higher work progress. The higher loss before tax in current quarter was mainly due to maintenance cost incurred during the Defect Liability Period (DLP) for KTMB Package B project pending finalization of accounts.

#### Logging and Timber Trading Segment

The Logging and Timber Trading segment is waiting for permit approval for new production block and this has affected the Group's operations due to no production and resulting in no revenue for the current quarter. Profit before tax increased to RM1.53 million in the current quarter as compared to a loss before tax of RM0.34 million in the preceding year corresponding quarter. The profit before tax for the current quarter was mainly due to profit contributed from the Group's associate company.

#### Property Development Segment

The Property Development segment recorded a decrease in revenue of RM15.15 million in the current quarter as compared to RM17.10 million in the preceding year corresponding quarter. The profit before tax was RM2.52 million as compared to a profit before tax of RM10.76 million in the preceding year corresponding quarter.

The higher revenue and profit before tax in the preceding year corresponding quarter were due to higher progress billing being recognized upon completion of Rica Residence @ Sentul during the previous financial year. Furthermore, lower profit before tax during the current quarter was due to sales and marketing activities costs incurred for the new development, Vierra Residence located in Kinrara.

#### Trading and Logistic Segments

The Trading segment recorded a revenue of RM0.123 million as compared to RM0.036 million in the preceding year corresponding quarter. The segment recorded a lower loss before tax of RM0.040 million as compared to a loss before tax of RM0.049 million in the preceding year corresponding quarter. The increase in revenue was due to higher purchase of construction materials for the on-going projects in the Construction segment. The loss before tax decreased was mainly due to lower profit margin being obtained from the trading of construction materials.

The Logistic segment registered a revenue of RM0.205 million in the current quarter as compared to a revenue of RM0.175 million in the preceding year corresponding quarter. The segment recorded a lower loss before tax of RM0.102 million in the current quarter as compared to a loss before tax of RM0.139 million in the preceding year corresponding quarter. The increase in revenue was in concurrence with the Timber and Logging Segment; mainly from the sales of log from the Group's associate company. The loss before tax was mainly due to the lower profit margin obtained from its services.



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

	<b>Current Year Quarter 31/03/2022 (RM'000)</b>	<b>Immediate Preceding Quarter 31/12/2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	42,454	56,417	(25)
Profit/(loss) from operation	(1,570)	4,458	(135)
Profit/(loss) before interest and tax	653	6,123	(89)
Profit/(loss) before tax	365	5,969	(94)
Profit/(loss) after tax	(797)	4,298	(119)
Profit/(loss) attributable to Owners of the Company	(381)	4,447	(109)

In the current quarter ended 31 March 2022, the Group registered a lower revenue of RM42.45 million and a profit before tax of RM0.37 million as compared to a revenue of RM56.42 million and a profit before tax of RM5.97 million in the preceding quarter ended 31 December 2021.

The lower revenue and profit before tax for the current quarter were due to lesser contribution from Property Development segment.

## **B3 Current year prospects**

In Bank Negara Malaysia's latest report, the economy grew by 5.0% in the first quarter of 2022 as compared to a 3.6% in the fourth quarter of 2021. Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The domestic economy is expected to improve further in 2022, with growth projected at 5.3% to 6.3%. The growth will be strengthened by stronger domestic demand, continued expansion in external demand, and further improvement in the labour market. Easing of restrictions, reopening of international borders and implementation of investment projects will also aid in the projected growth.

The construction sector contracted at a smaller pace of 6.2% in the first quarter 2022 compared with -12.2% in the fourth quarter 2021. The construction industry is set to rebound with a 6.1% growth in 2022, catalysed by construction activities in large scale infrastructure projects such as the Mass Rapid Transit Line 2, Electrified Double Track Gemas-Johor Bahru and Pan Borneo Highway. The Group's construction segment will continue to focus on existing projects such as Duta Park Residences as well as our own property development projects in the affordable housing segment. The Group currently has an order book of approximately RM301.44 million and will continue to actively pursue opportunities to bid for new construction jobs in both private and government projects. The Group is currently tendering for new construction projects in the private and government sectors amounting to RM3.03 billion.

In the property market, the government will continue implementing housing projects to ensure the provision of adequate and quality affordable housing in the country. The aim is to build 500,000 affordable homes nationwide during the 12th Malaysia Plan - having more affordable housing units for the younger generation and for the M40 group in the suburbs and smaller towns. The Group's second Malaysian property development project Vierra Residence @ Kinrara is scheduled for launch in the second quarter of 2022 subject to market conditions. Vierra Residence @ Kinrara consisting 2 tower

blocks of 1,604 units is based on the affordable housing concept of “Residensi Wilayah Keluarga Malaysia” (RUMAWIP). Our maiden property development project Rica Residence @ Sentul is currently 97% sold with on-going marketing efforts to sell remaining units. In Australia, the Paragon located in Melbourne was completed in 2021 and currently being handed over to its buyers. The Wilds, located in Northcote, Melbourne, is set to be a benchmark in Environmentally Sustainable Design principles and will become the first carbon-neutral detached housing development in inner Melbourne, with all houses 100 per cent electric and incorporating a solar panel array. The construction of The Wilds has started and scheduled for completion end of the year. The Group has also recently ventured into a new Property Development at Fitzroy, Melbourne.

In the Group’s Logging and Timber Trading segment, we have approximately 19,500 acres of working block through our subsidiaries and associate company and this will continue to contribute to the Group’s earnings in the future.

The Group has diversified its business into the plantation segment and foresee this new segment will generate good returns in the long term. The Group has ventured into an operation to carry fruit crops cultivation and plantation project with approximately 600 acres of land located in Jerantut. We will continue to explore options to identify suitable businesses or strategic acquisition and will continue to seek opportunities in this segment.

The Group will persistently bid for prospective infrastructure and rail construction projects and with our state-of-the-art trackwork machineries and expertise, as well as having excellent track record in completing railway projects on time, we are in a good position to bid for such jobs. In the Malaysian property segment, the Group is on the lookout to expand its property development footprints in the Klang Valley depending on market conditions. Although the Group’s operations have been affected due to the effects brought by the COVID-19 pandemic, we will continue to explore more business opportunities and capitalise our strengths to generate sustainable revenue from its existing or new businesses.

Barring any unforeseen circumstances, the Group is optimistic about the Group’s ability to continue to achieve satisfactory performance for the financial year ended 30 June 2022.

**B4**     **Profit forecast**  
Not applicable.

**B5 Profit guarantee**

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

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

**B6 Income tax**

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/03/2022 RM'000	3 months ended 31/03/2021 RM'000	9 months ended 31/03/2022 RM'000	9 months ended 31/03/2021 RM'000
Current period's provision	1,990	1,167	4,480	7,530
Under / (Over) provision for the prior years	(828)	(421)	(828)	(421)
	1,162	746	3,652	7,109
Deferred taxation	-	-	-	-
Under / (Over) provision for the prior years	-	-	-	-
	1,162	746	3,652	7,109

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

**B7 Purchase or disposal of quoted securities**

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

Investment in quoted shares as at 31 March 2022 were as follows :

	<b>RM'000</b>
At cost	5,912
At market value - Shares	14,932

**B8 Status of corporate proposals announced**

There were no corporate proposal announced during the financial period to date, except as disclosed below :-

On 6 September 2021, the resolution as set out in the Notice of Postponed Extraordinary General Meeting dated 20 August 2021 in regards to the Proposed Renounceable Rights Issue of up to 373,882,456 New Ordinary Shares in FBG on the basis of one (1) Rights Share for every one (1) existing FBG Share held on the entitlement date, together with up to 373,882,456 free detachable Warrants in FBG on the basis of one (1) Warrant for every one (1) Rights Share subscribed for at an issue price of RM0.10 per Rights Share, was duly passed by the shareholders of the Company.

The additional 370,806,692 new ordinary shares and 370,806,692 Warrants issued pursuant to the Rights Issue with Warrants were listed and quoted on the main market of Bursa Malaysia Securities Bhd on 25 October 2021.

**B9 Status of Utilisation of Proceeds**

Status of Utilisation of Proceeds as at 31 March 2022

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised Proceeds RM'000</b>	<b>Timeframe For The Utilisation Of Proceeds</b>
<b><u>Rights Issue of 370,806,692 Shares</u></b>				
Funding for existing and/ or future construction projects	10,000	-	10,000	Within 18 months
Funding for future property development projects	10,000	(6,352)	3,648	Within 24 months
Business expansion and/ or future viable investment for logging & timber trading, and plantation segments	15,000	-	15,000	Within 24 months
Working capital requirements	1,481	-	1,481	Within 6 months
Defrayment of estimated expenses	600	(545)	55	Upon completion
	<u>37,081</u>	<u>(6,897)</u>	<u>30,184</u>	

**B10 Borrowings**

The tenure of the Group borrowings classified as follows:-

	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Long term RM'000</b>
<b><u>Secured</u></b>				
Term loan	4,434	-	-	-
Lease liabilities	2,123	3,137	2,788	2,744
Invoice Finance	1,885	-	464	-
Revolving Credit	40,157	-	40,000	-
Bills Discounting	5,663	-	-	-
Promissory Note	5,190	-	-	-
	<u>59,452</u>	<u>3,137</u>	<u>43,252</u>	<u>2,744</u>

**B11 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 31 March 2022.

**B12 Trade receivables**

The age analysis of trade receivables is as follow :

	<b>Current Quarter Ended 31/03/2022 RM'000</b>
Not past due	70,478
Past due:	
- less than 3 months	9,616
- 3 to 6 months	1,729
- over 6 months	882
- more than 1 year	9,815
	<u><b>92,520</b></u>

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

**B13 Material litigation**

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 31 March 2022 except as disclosed in the following:-

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

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

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

1. the Respondent shall pay to the Claimant within 14 days from 23 February 2021:-
  - a. the sum of RM10,000,000.00; and

- b. the amount awarded 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 28 October 2021, the Respondent's setting aside applications have been dismissed. No appeal has been filed by the Respondent.

The Claimant will engaged solicitors in Singapore to enforce the Final Award in Singapore.

**b) Fajarbaru Builder Sdn. Bhd. ("Claimant") vs Shaw Plaza Sdn. Bhd. ("Respondent")**

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

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

Based on the latest report submitted by the quantum expert appointed by the Claimant, the assessed 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 11,178,726.19 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.

**B14 Dividend**

No dividend has been declared for the third quarter ended 31 March 2022.

**B15 Earnings per share**

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

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/03/2022 RM'000	3 months Ended 31/03/2021 RM' 000	9 months Ended 31/03/2022 RM000	9 months Ended 31/03/2021 RM'000
Net (loss)/profit attributable to Owners of the Company	(381)	6,931	2,421	19,138
Weighted Average Number of shares at the end of the period ('000)	741,613	370,807	584,630	370,807
Adjusted number of ordinary shares in issue and issuable ('000)	1,112,420	370,807	955,436	370,807
<b>Basic earnings per share (sen)</b>	(0.05)	1.87	0.41	5.16
<b>Diluted earnings per share (sen)</b>	(0.03)	0.00	0.25	0.00

**B16 Profit before taxation**

	Current Year Quarter 31/03/2022 RM'000 Unaudited	Current Year To-date 31/03/2022 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(554)	(1,346)
Dividend income	(23)	(287)
Depreciation	2,695	8,370
Interest expense	278	594
Write off of property, plant and equipment	5	5
(Gain)/Loss on disposal of property, plant & equipment	(132)	(132)
Reversal of impairment loss in trade receivables	-	(13)
Unrealised (gain)/loss on foreign exchange	(1,363)	(557)
Unrealised (gain)/loss on investment fund	(167)	(164)

**B17 Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 26 May 2022.

By Order of the Board  
**Fajarbaru Builder Group Bhd**

Tan Sri Dato' Sri Chan Kong Choy  
Executive Chairman

Kuala Lumpur  
26 May 2022