

Fajarbaru Builder triples net profit on timber segment contribution



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KUALA LUMPUR: Fajarbaru Builder Group Bhd's second quarter net profit more than tripled to RM6.89 million from RM2.18 million a year ago on higher contribution from its timber segment.

Earnings per share for the second quarter ended December 31, 2017 (2QFY18) rose to 1.87 sen from 0.6 sen in 2QFY17, the group said in a filing to Bursa Malaysia.

"The increase in revenue and profit before tax [from the timber segment] were mainly due to increase in demand and price during the current quarter," said Fajarbaru.

Revenue in 2QFY18 nearly doubled to RM120.94 million from RM61.49 million previously.

“The increase in revenue was mainly due to higher activities in the construction, property development, and logging and timber trading segments,” it said.

For its six-month period (6MFY18), Fajarbaru’s net profit rose 82.19 per cent to RM11.97 million from RM6.57 million in 6MFY17, as gains under the investment segment and the logging and timber trading segments mitigated higher adjustments and losses in the construction segment due to higher costs.

Moving forward, Fajarbaru said it believes that it is in a good position to be awarded rail-related construction jobs, after having completed various rail-related projects previously.

“In addition, our group has invested into the latest trackwork machineries which are capable of constructing and maintaining railway tracks and such services are only provided by a limited number of companies,” it said.