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**Funding facility:** (from left) Maybank Investment Bank Bhd MD Hasli Hashim, Fajarbaru Builder Group Bhd group executive director Datuk Seri Eric Kuan Khian Leng, Malayan Banking Bhd MD of corporate banking Michael Oh-Lau Chong Jin, KHK Group chairman Tan Sri Kong Hon Kong, Beulah International Pty Ltd MD Chan Jia Heng and KHK Group MD Jo Jo Kong at the A\$100mil project financing signing ceremony for Fajarbaru's Paragon apartment project in Melbourne. > [See page 3](#)

## Fajarbaru aims for equal contribution from its ops

**KUALA LUMPUR:** Fajarbaru Builder Group Bhd is working towards equal contribution from its core business segments which comprise construction, property development and logging.

The infrastructure construction company has two property projects in Australia and is working towards a third, all of them in Melbourne. Locally, it has launched a Sentul project last year.

Group executive director Datuk Seri Eric Kuan said the current composition is 40:20:40, for construction, property development and logging, respectively.

Logging activities contributed RM115.82mil to profit before tax, although its total profit before tax was RM55.65mil for the third quarter ended March 31, after adjustments.

"We would like equal contribution from each," he said. Most of Fajarbaru's logging activities are in Jerantut, Pahang.

He was speaking to reporters after getting a A\$100mil (RM300mil) funding facility from Malayan Banking Bhd (Maybank) yesterday to build Paragon, a 227-unit apartment project across 48 storeys in Melbourne's commercial business district.

The facility agreement was signed between special-purpose vehicle (SPV) 320 Queen Street Pty Ltd and Maybank.

Maybank also financed Fajarbaru's first

project Gardenhill, said managing director/group head for corporate banking and group global banking Michael Oh-Lau.

The SPV partners are Fajarbaru, which will have a 22.22% stake, KHK Group, 35% and Melbourne-based developer Beulah International Pty Ltd, the remainder.

Beulah International's co-founder and executive director is Adelene Teh, 31, the daughter of Datuk Teh Kean Ming, a former CEO/MD of IJM Corp Bhd. The other Beulah International co-founder and managing director is Chan Jia Heng, 31. Chan is also Fajarbaru's director of property.

On Fajarbaru's interest in project development in Australia, Kuan said it was fortunate to find a like-minded partner in Beulah International.

"We have been friends for a long time," he said, adding that Fajarbaru was also exploring other developments in Melbourne. We are always on the lookout for good projects and may venture outside Melbourne. There are a few offers but we are at the deliberating stage," he said.

It will conclude a deal with Beulah Northcote Land Pty Ltd later this year, in which its wholly-owned subsidiary Fajarbaru Land (M) Sdn Bhd will take up a 49% stake for A\$98 (RM291.35).

Additionally, Fajarbaru Land will inject a

capital of up to A\$2.99mil to subscribe to an additional 2.99 million ordinary shares in Beulah Northcote, representing 49% of the total increased issued share capital of A\$6.1mil in Beulah Northcote.

Fajarbaru first teamed up with Beulah International to build Gardenhill, a one and two-bedroom apartment project in Doncaster, 16km from Melbourne's business district a couple of years ago.

Gardenhill had a gross development value (GDV) of A\$77mil. All the units were sold, which pumped up its revenue contribution for property development to RM138mil in the third quarter ended March 31, 2017.

For the third quarter of the current financial year, Fajarbaru saw a loss of RM500,000.

Unlike Malaysia, where buyers pay on a progressive basis when they buy from a developer, buyers pay a 10% deposit and the remaining 90% when they take possession of the unit in Melbourne.

Paragon will have a GDV of A\$200mil and is estimated to be completed in 2020.

Kuan said Paragon is 90% sold, but the company would only be able to recognise its income when it is completed.

"The contribution will be significant. If not the same as Gardenhill, it may be more," Kuan said. Paragon averages about A\$11,500 per sq m, or A\$1,100 per sq ft," he said.