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Fajarbaru bags RM15.7m additional contract to redevelop military facilities

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KUALA LUMPUR (May 29): Fajarbaru Builder Group Bhd (KL:FAJAR) has bagged an additional contract worth RM15.71 million from the Australian Department of Defence (ADD).

In a bourse filing on Tuesday, the group said its subsidiary Fajarbaru Builder Sdn Bhd had landed the contract for additional works to redevelop military facilities at the Royal Malaysian Air Force (RMAF) base in Butterworth.

The head contract for the planning phase of the project was first awarded to a joint venture between Fajarbaru and Avionics Pty Ltd (APL) in July 2023, followed by a minor works contract in March 2024.

Following the latest announcement, Fajarbaru's portion of the project totals RM39.05 million, while that of APL amounts to RM10.32 million.

As part of the amended contract, the duration of the planning phase of the project has been extended to Sept 9 from April 30, while the minor works contract is expected to be completed on March 28, 2025.

According to the group, the redevelopment is meant for facilities both leased by the Australian Department of Defence, as well as those belonging to the Malaysian government.

The ADD maintains its operations at the RMAF Butterworth Base under the Five Power Defence Arrangements (FPDA) established in 1971 between Malaysia, Singapore, Australia, New Zealand, and the UK.

The operational arm of FPDA is known as Headquarters Intergrated Air Defence System (HQIADS). Headed by a commander, the HQIADS is situated at the RMAF Butterworth Base.

For the third quarter ended March 31, 2024 (3QFY2024), Fajarbaru's net profit surged to RM27.19 million, from RM1.91 million a year earlier, thanks to newly awarded projects.

As at the end of the quarter, the company's order book stood at RM1.10 billion, with RM117 million consisting of internal development projects.

The stock climbed to a nearly 30-month high on Monday at 45.5 sen.

At Wednesday's noon break, the counter was unchanged at 45 sen from Tuesday's close.

Year to date, the counter has surged as much as 53.5%.