

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.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your Fajarbaru Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor.

A copy of this Abridged Prospectus has been registered with 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 or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF have also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 24 June 2014. Approval from Bursa Securities has also been obtained vide its letter dated 23 May 2014 for, amongst others, the admission of the Warrants to the Official List and the listing of the Warrants, Rights Shares and the new Fajarbaru Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. The admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and 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.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. Admission of the Warrants to the Official List and the listing of and quotation for the Warrants, Rights Shares and the new Fajarbaru Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

Our Directors have seen and approved all the documentation relating to the Rights Issue with Warrants, including this Abridged Prospectus, together with the NPA and the RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus together with the NPA and the RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Tuesday, 2 September 2014. This Abridged Prospectus together with the NPA and the RSF are not intended to 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 jurisdictions other than the laws of Malaysia. The Entitled Shareholders and/ or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and 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 Issue with Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHBIB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation made by the Entitled Shareholders and/ or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHBIB, being our Principal 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.

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



FAJARBARU BUILDER GROUP BHD

(Company No. 281645-U)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 120,566,620 NEW ORDINARY SHARES OF RM0.50 EACH IN FAJARBARU BUILDER GROUP BHD ("FAJARBARU SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING FAJARBARU SHARES HELD TOGETHER WITH UP TO 120,566,620 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON TUESDAY, 2 SEPTEMBER 2014 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Tuesday, 2 September 2014 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Tuesday, 9 September 2014 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Friday, 12 September 2014 at 4.00 p.m.
Last date and time for acceptance and payment	: Thursday, 18 September 2014 at 5.00 p.m.*
Last date and time for excess application and payment	: Thursday, 18 September 2014 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time

This Abridged Prospectus is dated 2 September 2014

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.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH 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 OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY 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.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES, THE LISTING OF THE WARRANTS, RIGHTS SHARES AND ALL THE NEW SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

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 OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

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

"Abridged Prospectus"	: This abridged prospectus dated 2 September 2014
"Act"	: The Companies Act, 1965
"Board"	: The Board of Directors of Fajarbaru
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"BVSB"	: Billion Variety Sdn Bhd, a 51%-owned subsidiary company of Fajarbaru
"BVSB Area"	: An area in Hutan Simpan Tekai Tembeling, Mukim Hulu Tembeling, Daerah Jerantut, Pahang measuring approximately 1,000 acres
"By-Laws"	: Rules, terms and conditions of the ESOS (as may be amended, varied or supplemented from time to time in accordance to the By-Laws)
"CDS"	: Central Depository System
"CDS Account"	: A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	: Capital Markets and Services Act, 2007
"Code"	: Malaysian Code on Take-Overs and Mergers, 2010
"Corporate Exercises"	: The Rights Issue with Warrants and the Diversification, collectively
"Deed Poll"	: The deed poll dated 15 August 2014, constituting the Warrants
"Director(s)"	: The director(s) of Fajarbaru and shall have the meaning given in Section 2(1) of the CMSA
"Diversification"	: The diversification of the existing principal activities of our Group to include logging and timber trading business
"EGM"	: Extraordinary General Meeting
"Entitled Shareholder(s)"	: The shareholders of Fajarbaru who are registered as a member and whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	: At 5.00 p.m. on Tuesday, 2 September 2014, being the time and date on which shareholders of Fajarbaru must be registered as a member and whose names appear in our Record of Depositors provided by Bursa Depository in order to participate in the Rights Issue with Warrants
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme

DEFINITIONS (CONT'D)

"ESOS Option(s)"	: The right of a grantee to subscribe for new Fajarbaru Shares pursuant to the contract constituted by the acceptance of an Offer as set out in the By-Laws. As at the LPD, there are 20,828,501 outstanding ESOS Options have yet to be granted. Each ESOS Option entitles the option holder to exercise into one (1) new Fajarbaru Share. Our Board had on 26 February 2014 announced the extension of the existing ESOS which was expiring on 17 December 2014 for a further five (5) years period till 16 December 2019. The exercise price of such ESOS Options will be determined by our Board based on the higher of the following:-
	i. the five (5)-day WAMP of Fajarbaru Shares, as quoted on Bursa Securities, immediately preceding the date of Offer of the option with a discount of not more than 10%, if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
	ii. the par value of Fajarbaru Shares.
"Excess Rights Shares with Warrants"	: Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renounee(s) (if applicable) prior to excess application pursuant to the Rights Issue with Warrants
"Fajarbaru" or our "Company"	: Fajarbaru Builder Group Bhd (281645-U)
"Fajarbaru Group" or our "Group"	: Fajarbaru and its subsidiary companies, collectively
"Fajarbaru Share(s)" or "Share(s)"	: Ordinary share(s) of RM0.50 each in Fajarbaru
"Foreign Entitled Shareholder(s)"	: Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue with Warrants
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 1 August 2014, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"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 the trading of securities
"Maximum Scenario"	: Assuming all the 1,048,164 treasury shares have been resold in the open market at the respective acquisition prices and all the outstanding 20,828,501 ESOS Options are granted and/ or fully exercised into new Fajarbaru Shares prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on a full subscription level basis

DEFINITIONS (CONT'D)

"Minimum Scenario"	:	Assuming all the 1,048,164 treasury shares are retained by our Company and none of the outstanding 20,828,501 ESOS Options are granted/ exercised prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on a Minimum Subscription Level basis
"Minimum Subscription Level"	:	A minimum level of subscription of 10,399,003 Rights Shares together with 10,399,003 Warrants pursuant to the Rights Issue with Warrants as determined by our Board, based on the Undertakings
"NA"	:	Net assets
"NPA"	:	Notice of provisional allotment of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants
"Offer"	:	Written offer made by the options committee from time to time to an eligible employee to participate in the ESOS and in the manner set out in the By-Laws
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PBT"	:	Profit before taxation
"Provisional Allotment"	:	Rights Shares with the Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue with Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Principal Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 120,566,620 Rights Shares on the basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares held, together with up to 120,566,620 free detachable Warrants on the basis of one (1) free Warrant for every one (1) Rights Share subscribed for, on the Entitlement Date at an issue price of RM0.50 per Rights Share
"Rights Share(s)"	:	Up to 120,566,620 new Fajarbaru Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form for the Rights Issue with Warrants
"SASB"	:	Smooth Accomplishment Sdn Bhd, a wholly-owned subsidiary company of BVSB, which in turn a 51%-owned subsidiary company of Fajarbaru
"SASB Area"	:	An area in Hutan Simpan Kekal Yong, Mukim Tembeling, Daerah Jerantut, Pahang measuring approximately 28,645 acres
"SC"	:	Securities Commission Malaysia
"TERP"	:	Theoretical ex-rights price

DEFINITIONS (CONT'D)

- "Undertaking" : Irrevocable undertakings from Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon and Unique Bay Sdn Bhd to fully subscribe for their entitlements under the Rights Issue with Warrants based on their respective shareholdings in Fajarbaru
- "WAMP" : Weighted average market price
- "Warrant(s)" : Up to 120,566,620 free detachable warrants in Fajarbaru to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" and "Fajarbaru" in this Abridged Prospectus are made to Fajarbaru Builder Group Bhd (281645-U) and references to "our Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to the Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Occupation
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Executive Chairman)	No. 8, Lorong Cenderai Off Jalan Bukit Pantai Bangsar 59100 Kuala Lumpur	Malaysian	Company Director
Ooi Leng Chooi (Executive Director)	30, Jalan Margosa SD10/5K 52200 Bandar Sri Damansara Kuala Lumpur	Malaysian	Company Director
Dato' Ir. Low Keng Kok (Non-Independent Non- Executive Director)	39, Lakeview Saujana Resort Seksyen U2 40150 Shah Alam Selangor	Malaysian	Company Director
Dato' Ismail bin Haji Omar (Independent Non-Executive Director)	No. 3, Jalan 8 Kemensah Heights 68000 Hulu Kelang Selangor	Malaysian	Company Director
Foong Kuan Ming (Independent Non-Executive Director)	No. 301, Off Jalan Tan Sri Manickavasagam 70200 Seremban Negeri Sembilan	Malaysian	Lawyer
Wong Chee Heng (Independent Non-Executive Director)	No. 12, Jalan USJ 18/2C UEP Subang Jaya 47630 Petaling Jaya Selangor	Malaysian	Company Director
Zahedi bin Mohd Zain (Independent Non-Executive Director)	81, Jalan Athinahapan Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Foong Kuan Ming	Chairman	Independent Non-Executive Director
Wong Chee Heng	Member	Independent Non-Executive Director
Zahedi Bin Mohd Zain	Member	Independent Non-Executive Director

COMPANY SECRETARIES

Tan Kok Aun (MACS 01564)
Wong Wai Yin (MAICSA 7003000)

No. 1 & 1A
2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel. No.: 03 - 4043 5750
Fax. No.: 03 - 4043 5755

CORPORATE DIRECTORY (CONT'D)

REGISTERED OFFICE	:	No. 1 & 1A 2nd Floor (Room 2) Jalan Ipoh Kecil 50350 Kuala Lumpur Tel. No.: 03 - 4043 5750 Fax. No.: 03 - 4043 5755
HEAD OFFICE	:	No. 61 & 63, Jalan SS6/12 Kelana Jaya 47301 Petaling Jaya Selangor Tel. No.: 03 - 7804 9698 Fax. No.: 03 - 7804 3698 / 4849 Website: http://www.fb.com.my Email: accounts@fb.com.my
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd (378993-D) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Helpdesk Tel. : 03 - 7849 0777 Fax. : 03 - 7841 8151/ 8152
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs Crowe Horwath (AF1018) Level 16 Tower C, Megan Avenue II Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No.: 03 - 2788 9999 Fax. No.: 03 - 2788 9998
PRINCIPAL BANKERS	:	CIMB Bank Berhad (13491-P) 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: 03 - 2261 8888 Fax. No.: 03 - 2261 8889 Malayan Banking Berhad (3813-K) 37th Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: 03 - 2070 8833 Fax. No.: 03 - 2715 9442 RHB Bank Berhad (6171-M) Level 7 Tower 3 RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 9287 8888 Fax. No.: 03 - 9287 4249

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL BANKERS (CONT'D)		United Overseas Bank (Malaysia) Bhd (271809K) Level 11, Menara UOB Jalan Raja Laut 50738 Kuala Lumpur Tel. No.: 03 - 2692 7722 Fax. No.: 03 - 2691 6073
DUE DILIGENCE SOLICITORS	:	Messrs B B Teh No 22-2, Jalan Telawi 2 Bangsar Baru 59100 Kuala Lumpur Tel. No.: 03 - 2287 1613 Fax. No.: 03 - 2287 3613
PRINCIPAL ADVISER	:	RHB Investment Bank Berhad (19663-P) Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 9287 8888 Fax. No.: 03 - 9280 2233/ 3355/ 4770
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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FAJARBARU BUILDER GROUP BHD

(Company No. 281645-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

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

2 September 2014

Board of Directors

Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (*Executive Chairman*)
Ooi Leng Chooi (*Executive Director*)
Dato' Ir. Low Keng Kok (*Non-Independent Non-Executive Director*)
Dato' Ismail bin Haji Omar (*Independent Non-Executive Director*)
Foong Kuan Ming (*Independent Non-Executive Director*)
Wong Chee Heng (*Independent Non-Executive Director*)
Zahedi bin Mohd Zain (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 120,566,620 RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING FAJARBARU SHARES HELD TOGETHER WITH UP TO 120,566,620 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON TUESDAY, 2 SEPTEMBER 2014 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE

1. INTRODUCTION

On 26 February 2014, RHBIB had, on behalf of our Board, announced that our Company proposes to undertake a renounceable rights issue of up to 120,566,620 Rights Shares on the basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares held together with up to 120,566,620 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, on the entitlement date to be determined later ("Initial Announcement").

Subsequently, on 11 April 2014, RHBIB had, on behalf of our Board, further announced the following:-

- i. our Company proposes to vary the proposed utilisation of proceeds, under the Maximum Scenario, from the Rights Issue with Warrants; and
- ii. our Company proposes to undertake the diversification of our Group's existing principal activities to include logging and timber trading business.

On 23 May 2014, RHBIB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 23 May 2014, approved the following:-

- i. Admission to the official list of Bursa Securities and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue with Warrants;
- ii. Listing of the Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
- iii. Listing of the new Fajarbaru Shares to be issued arising from the exercise of the Warrants

on the Main Market of Bursa Securities, subject to the following conditions:-

Conditions	Status of compliance
(a) Fajarbaru and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	Noted
(b) Fajarbaru and RHBIB to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(c) Fajarbaru to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed	To be complied
(d) Fajarbaru is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable	To be complied
(e) A certified true copy of the resolution passed by shareholders at the extraordinary general meeting for the Rights Issue with Warrants	Complied

On 24 June 2014, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises which were passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 12 August 2014, RHBIB had, on behalf of our Board, announced that the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM0.50 per Rights Share and RM0.70 per Warrant, respectively.

On 18 August 2014, RHBIB 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 RHBIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 120,566,620 Rights Shares on a renounceable basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares held, together with up to 120,566,620 free detachable Warrants on the basis of one (1) free Warrant for every one (1) Rights Share subscribed for, by the Entitled Shareholders and/ or their renounees (if applicable), on the Entitlement Date at an issue price of RM0.50 per Rights Share.

The actual number of the Rights Shares and the Warrants to be issued pursuant to the Rights Issue with Warrants will depend on the acceptance by the Entitled Shareholders and/ or their renounee(s) (if applicable).

As at the LPD, the issued and paid-up share capital of Fajarbaru is RM110,152,370 comprising 220,304,740 Fajarbaru Shares (including 1,048,164 treasury shares). In addition, as at the LPD, there are 20,828,501 outstanding ESOS Options have yet to be granted. Each ESOS Option entitles the option holder to exercise into one (1) new Fajarbaru Share.

Assuming all the 1,048,164 treasury shares are resold in the open market at their respective acquisition prices and all the 20,828,501 outstanding ESOS Options have been granted and exercised prior to the Entitlement Date, a total of 120,566,620 Rights Shares together with 120,566,620 Warrants will be issued in the event all the Entitled Shareholders and/ or their renounee(s) fully subscribe for their entitlements under the Rights Issue with Warrants. In addition, upon full exercise of the Warrants, a total of 120,566,620 new Fajarbaru Shares will be issued.

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.

The Rights Issue with Warrants is renounceable in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall then be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements.

Any unsubscribed Rights Shares together with the Warrants will be made available to the other Entitled Shareholders and/ or their renounee(s) (if applicable) under the Excess Rights Shares with Warrants application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, on a fair and equitable manner, and on a basis as set out in Section 10.8 of this Abridged Prospectus.

As you are an Entitled Shareholder, your CDS Accounts will be duly credited with the Provisional Allotment, 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 in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

Any dealings in our securities will be subject to the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares together with the Warrants will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical share or warrant certificates will be issued. Notices of allotment will be despatched to the successful applicants.

We will allot and issue the Rights Shares with the Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

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

On 12 August 2014, RHBIB had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.50 per Rights Share. This represents a discount of approximately 14.46% to the TERP of Fajarbaru Shares of RM0.5845, calculated based on the five (5)-day WAMP of Fajarbaru Shares up to and including 11 August 2014, being the last trading day preceding the price-fixing date for the Rights Shares, of RM0.6268 per Fajarbaru Share.

The issue price of the Rights Shares was determined and fixed by our Board after taking into consideration the aforementioned TERP of Fajarbaru Shares and the following:-

- i. The issue price of the Rights Shares is sufficiently attractive to entice the Entitled Shareholders to subscribe for their respective entitlements to enable our Company to raise more funds in addition to the amounts to be raised under the Minimum Subscription Level and such issue price in any event shall not be lower than the par value of Fajarbaru Shares; and
- ii. The discount of 14.46% to the TERP is in line with our Board's intention of fixing the issue price at a discount of up to 15% to the TERP.

It is the intention of our Board to enhance the attractiveness of the Rights Issue with Warrants to entice the Entitled Shareholders to subscribe for their respective entitlements to enable our Company to raise more funds in addition to the amounts to be raised under the Minimum Subscription Level.

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 the Entitled Shareholders and/ or their renounee(s) (if applicable) who subscribe for the Rights Shares.

On 12 August 2014, RHBIB had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants at RM0.70 per Warrant. This represents a premium of approximately 19.76% to the TERP of Fajarbaru Shares of RM0.5845, calculated based on the five (5)-day WAMP of Fajarbaru Shares up to and including 11 August 2014, being the last trading day of Fajarbaru Shares immediately preceding the price-fixing date for the Warrants, of RM0.6268 per Fajarbaru Share.

The exercise price of the Warrants was determined and fixed by our Board after taking into consideration the aforementioned TERP of Fajarbaru Shares and the following:-

- i. The exercise price of the Warrants is sufficiently attractive to increase the potential of the Warrants being exercised and accordingly raise additional funds for our Company in the future, as and when the Warrants are exercised; and
- ii. That the Warrants will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) (if applicable) who successfully subscribe for the Rights Shares.

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

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Fajarbaru Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution ("Distribution") that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The new Fajarbaru Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Fajarbaru Shares, save and except that the new Fajarbaru Shares to be issued arising from the exercise of the Warrants will not be entitled to any Distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the said new Fajarbaru Shares.

2.5 Principal terms of the Warrants

The principal terms of the Warrants are set out below:-

Issue size	: Up to 120,566,620 Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders on the basis of one (1) Warrant for every one (1) Rights Share subscribed for.
Form	: The Warrants which are issued with the Rights Shares are immediately detachable upon allotment and issuance of the Rights Shares and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll.
Exercise rights	: Each Warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new Fajarbaru Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise period	: The Warrants may be exercised at any time during the period of five (5) years commencing on and including the date of issuance of the Warrants. Warrants which have not been exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	: The price payable by the holders of the Warrants upon exercise of the rights attached to the Warrants being RM0.70 or such adjusted price as determined in accordance with Deed Poll, where applicable.
Mode of exercise	: The registered holder of the Warrant is required to lodge a subscription form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' 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.
Mode of transfer	: The transfer of the Warrants shall subject to the provisions of the Securities Industry (Central Depositories) Act 1991, the Rules of Central Depository and any other relevant legislation.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Fajarbaru Shares at any time during the exercise period, or such 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 or to participate in any dividends, rights, allotments and/ or any other forms of distribution other than on winding-up, compromise or arrangement of Fajarbaru and/ or offer of further securities in the Company unless and until the holder of the Warrants becomes a shareholder of Fajarbaru by exercising his Warrants into new Fajarbaru Shares or unless otherwise resolved by Fajarbaru in a general meeting.
- Rights in the event of winding-up, liquidation, compromise and/ or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the 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 the Company or the amalgamation of the Company with one (1) or more companies, then every holder of the Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrants to the Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Fajarbaru Shares to which he would have been entitled to pursuant to such exercise.
- Adjustments in the exercise price and/ or number of Warrants : The exercise price and/ or number of unexercised Warrants may be adjusted by the Board, in consultation with its professional advisers, in the event of any alteration to the share capital of the Company, including but not limited to the consolidation or subdivision or conversion, issuance of shares by way of capitalisation of profits or reserves, capital distribution or rights issue of shares or convertible securities or any other events, in accordance with the provisions of the Deed Poll.
- Modifications : Unless expressly provided in the Deed Poll, no modification, amendment, deletion or addition may be made to the provisions of the Deed Poll (including the warrant certificate) without the sanction of a special resolution. Any modification, amendment, deletion or addition to this deed may be effected only by a deed executed by the Company and expressed to be supplemented and subject to the approval of the relevant authority, if necessary.
- Constitution : The Warrants constituted by the Deed Poll.
- Governing law : Laws and regulations of Malaysia.

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2.6 Details of other corporate exercise

Save for the Rights Issue with Warrants and the below, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion as at the LPD:-

Our Board has on 7 July 2014 announced that Fajarbaru-Beulah (Melbourne) Pty Ltd ("FBM"), a 51%-owned indirect subsidiary of our Company, has been nominated by one of FBM's shareholders, Beulah Land International Pty Ltd ("BLI") on 7 July 2014, to purchase three (3) pieces of vacant land at Lot 6, 7 and 8 on Plan of Subdivision No. 042014 and being the land more particularly described as Certificate of Title Volume 08204 Folio 293, 08164 Folio 685 and 08179 Folio 168 respectively, Doncaster, Victoria 3108, Australia from Doncaster Regency Pty Ltd ("DRPL"), pursuant to the Contract of Sale of Real Estate entered between BLI and DRPL ("Contract") for a total cash consideration of Australian Dollar ("AUD") 6,900,000, exclusive of 10% Australian Good and Services Tax ("Acquisition"). As at the LPD, the Acquisition is pending completion.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration, our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue for raising funds for the purposes stated in Section 4 of this Abridged Prospectus while potentially enhancing the capital base, as the Rights Issue with Warrants shall:-

- i. Enable our Company to raise funds without incurring interests expense as compared to bank borrowings;
- ii. To optimise our Group's capital structure by strengthening its financial position; and
- iii. Provide our shareholders with an opportunity to further increase their equity participation in our Company via the issuance of new Fajarbaru Shares without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Rights Issue with Warrants.

The Warrants will provide an incentive to the Entitled Shareholders to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders 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. In addition, our Company would also be able to raise further proceeds as and when the Warrants are exercised.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.50 per Rights Share, the Rights Issue with Warrants is expected to raise gross proceeds of up to RM60.28 million and the intended utilisation are set out below:-

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Investments in logging and timber trading business ¹	Within 24 months	-	29,867
Working capital ²	Within 24 months	4,650	29,866
Estimated expenses in relation to the Rights Issue with Warrants	Upon completion	550	550
Total		5,200	60,283

Notes:-

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In the event the Rights Issue with Warrants is completed under the Maximum Scenario, up to RM29.87 million of the proceeds raised shall be utilised to partly finance the investment in logging and timber trading business which includes payment of premium to the relevant Forestry Department in respect of the logging area, payment to sub-contractors and license fees/ royalties.

The investment required for timber extraction activities at SASB Area and BVSB Area includes payment of premium to the relevant Forestry Department in respect of the logging area, payment to sub-contractors license fees/ royalties and cost to build access road and bridge to the timber extraction areas. The estimated premium to Forestry Department is approximately RM28.00 million and the estimated license fees/ royalties is approximately RM23.20 million. The payment to sub-contractors and cost to build access road and bridge are variable and increasing, depending on the level of our logging activities. Hence, save for the RM1.50 million incurred to build access road and bridge as set out in Section 6.3.4 of this Abridged Prospectus, the aforesaid costs cannot be determined at this juncture. The remaining investment amount (not funded by the amount raised under the Maximum Scenario of the Right Issue of Warrants) will be funded via internally generated funds and/ or bank borrowings.

As set out in Section 6.3.4 of this Abridged Prospectus, our Group does not own any timber concession. However, SASB and/ or BVSB are required to pay the premium to the Forestry Department in view that SASB and/ or BVSB have been granted the rights to undertake the extraction and sale of the timber pursuant to the Agreement (as defined in Section 6.3.4 of this Abridged Prospectus) and Appointment (as defined in Section 6.3.4 of this Abridged Prospectus) by the concession owners, namely YAM Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah and Cekal Kasih Sdn Bhd, respectively.

Our Company intends to appoint sub-contractors to undertake all the works of timber extraction and accordingly does not expect to incur major capital expenditure, such as purchase of machineries and equipment, in respect of the logging and timber trading business at the initial stage (approximately first three (3) years) of our venture into logging and timber trading business. The aforesaid machineries and equipment may include excavator, backhoe and log-truck.

For the avoidance of doubt, the proceeds raised pursuant to the Rights Issue with Warrants will be utilised to partly finance the investment in logging and timber trading business which includes payment of premium to the relevant Forestry Department in respect of the logging area, payment to sub-contractors and license fees/ royalties at the initial stage (approximately first three (3) years) of our venture into logging and timber trading business. The proceeds raised pursuant to the Rights Issue with Warrants is not intended to be utilised for the purchase of machineries and equipment.

Notwithstanding the aforesaid, our Company may purchase machineries and equipment to undertake the logging and timber trading business at a later stage (fourth (4th) years and onwards) of our venture, depending on the scale of the logging operations as well as the condition and direction of the logging business at that point in time, via internally generated funds and/ or bank borrowings. The decision to purchase machineries and equipment shall be made after taking into consideration of the total timber extraction area and the number of timber extraction sites we are licensed to extract timber, the costs to own machineries and equipment as well as the then Malaysian economy outlook and timber industry prospects at a later stage (fourth (4th) year and onwards) of our venture into logging and timber trading business. Our Board will also conduct the relevant assessment and considering the risks and benefits associated with purchase of machineries and equipment before making decision in relation to such purchase. However, we are unable to estimate the amount required for such purchase of machineries and equipment as it depends on the units to be purchased which in turn hinges on scale of our logging operation at a later stage (fourth (4th) years and onwards).

As set out in Section 7.4 of this Abridged Prospectus, our Group intends to seek further opportunities in the timber industry by leveraging on the strategic and cordial partnership with Dato' Sri Lim Ah Chap who has more than 30 years of experience in the timber industry. In line with the aforesaid, our Group will recruit more experienced management personnel to be part of our logging and timber trading segment. Further details of Dato' Sri Lim Ah Chap has been set out in Circular to shareholders of Fajarbaru dated 9 June 2014.

In the event that the Rights Issue with Warrants is completed under the Maximum Scenario and our Group is unable to commence its logging and timber business due to non-issuance of timber extraction license or any unforeseen circumstances, our Board intends to allocate the proceeds as additional working capital for our construction and property development businesses.

In the event that the Rights Issue with Warrants is completed under the Minimum Scenario and/ or any shortfall of proceeds raised, the investment of our Group's logging and timber trading business will be funded from internally generated funds and/ or bank borrowings.

In the event that the proceeds raised from Rights Issue with Warrants is between amount under Minimum Scenario and Maximum Scenario, approximately half of proceeds shall be allocated to the investments in logging and timber trading business and the remaining half of the proceeds shall be allocated to our construction and property development businesses, after deducting the estimated expenses in relation to the Rights Issue with Warrants and RM4.65 million for working capital of our construction and property development businesses allocated under the Minimum Scenario

² The proceeds for working capital will be utilised to finance the day-to-day operations of our Group's existing businesses and are estimated to be utilised in the following manner:-

	<i>Minimum Scenario RM'000</i>	<i>Maximum Scenario RM'000</i>
<i>Future payment to sub-contractors engaged for construction business of our Group</i>	1,953	12,544
<i>Future payment to sub-contractors engaged for property development business of our Group</i>	837	5,376
<i>Future payment to suppliers for purchase of material</i>	1,860	11,946
Total	4,650	29,866

Any variation to the amount of proceeds to be raised, which is dependent upon the actual number of Rights Shares to be issued, will be adjusted against the working capital.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants based on the exercise price of the Warrants. The maximum gross proceeds that is expected to be raised upon the full exercise of the Warrants based on the exercise price of RM0.70 per Warrant is approximately RM7.28 million and RM84.40 million under Minimum Scenario and Maximum Scenario, respectively. The gross proceeds to be raised from the exercise of the Warrants will be utilised as additional working capital of our Group. The proceeds may be utilised to finance, amongst others, employee remuneration, payment to creditors as well as general expenses such as utilities.

5. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level basis. The Minimum Subscription Level has been determined by our Board after taking into consideration the minimum level of funds that we wish to raise from the Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 4 of this Abridged Prospectus. In this regard, our Board intends to raise minimum gross proceeds of RM5.20 million.

Certain shareholders of our Company, namely Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon and Unique Bay Sdn Bhd (collectively referred to as the "Undertaking Shareholders") had on 26 February 2014, provided their respective irrevocable undertakings to subscribe in full for their entitlements under the Rights Issue with Warrants based on their shareholdings.

For information purposes, Dato' Sri Kuan Peng Ching @ Kuan Peng Soon being the Executive Chairman and a substantial shareholder of our Company is also a Director and a substantial shareholder of Unique Bay Sdn Bhd.

A summary of the irrevocable undertaking is set out below:-

Undertakings Shareholders	Shareholdings as at the LPD		Entitlement and Undertakings under the Rights Issue with Warrants		Funding requirements ³ RM
	No. of Shares	% ¹	No. of Shares	% ²	
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	15,743,606	7.18	7,871,803	6.53	3,935,902
Unique Bay Sdn Bhd ⁴	5,054,400	2.31	2,527,200	2.10	1,263,600
Total	20,798,006	9.49	10,399,003	8.63	5,199,502

Notes:-

- ¹ Computed based on the issued and paid-up share capital of our Company excluding all the existing treasury shares as at the LPD
- ² Computed based on the Maximum Scenario, where the maximum number of Rights Shares available for subscription totals to 120,566,620
- ³ Computed based on an issue price of RM0.50 per Rights Share
- ⁴ The other directors of Unique Bay Sdn Bhd are Datin Sri Lim Fong Teng and Kuan Khian Leng whereas the other shareholders of Unique Bay Sdn Bhd are Datin Sri Lim Fong Teng, Kuan Khian Leng and Kuan Li Su, each with a shareholding of 25% in Unique Bay Sdn Bhd, respectively

Based on the issue price of RM0.50 per Rights Share, the funding requirement for Undertaking Shareholders pursuant to their undertaking is approximately RM5.20 million. The Undertaking Shareholders had in their respective letter dated 26 February 2014 provided confirmation that they had sufficient financial resources to subscribe for their entitlement. The said confirmation has been verified by RHBIB, the Principal Adviser for the Rights Issue with Warrants.

As the Rights Issue with Warrants will be undertaken on a Minimum Subscription Level basis, we have not procured any underwriting arrangement for the balance of up to 110,167,617 Rights Shares, representing approximately 91.37% of the total Rights Shares available for subscription under the Maximum Scenario.

As at the LPD, our Company's public shareholding spread is 69.57%. Assuming that the Rights Issue with Warrants is implemented under the Minimum Subscription Level and assuming full exercise of the Warrants by the Undertaking Shareholders, the public spread is expected to decrease to 63.55%.

The subscription of the Rights Shares and the subsequent exercise of the Warrants by the Undertaking Shareholders, based on their shareholdings as at the LPD, pursuant to the Rights Issue with Warrants, are not expected to trigger any mandatory take-over offer obligation under Part III of the Malaysian Code on Take-Overs and Mergers, 2010.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renounees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) 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 our Group and the industries we operate in

6.1.1 Business and operational risks

Our Group is subject to the business and operational risks inherent to construction and property development sectors in Malaysia. This may include shortages in skilled workforce, entry of new competitors, changes in economic, business and credit conditions, changes in governmental and international policies and regulations, non-performance or unsatisfactory performance of sub-contractors, cancellation, variation orders, deferral or rescheduling of projects and other business and operational risks common to going concerns.

Although our Group seeks to limit these risks through careful identification of the type of construction projects to be undertaken, prudent financial policy, maintenance of a large pool of sub-contractors and suppliers with whom we have long term relationships and close supervision on our projects, no assurance can be given that any change to these factors will not have a material adverse effect on our business and financial conditions.

6.1.2 Competition risks

Our construction, property development and trading divisions face competition from other listed and non-listed companies. Competitive pressures may result in highly competitive pricing in order to secure the contracts, which may affect our financial performance.

Our Group seeks to maintain competitiveness by actively participating in competitive bidding and negotiation to secure contracts and continuing our efforts in maintaining our competitive edge in terms of cost efficiency, service quality, reliability and innovation in the construction, concrete product and property development industries. The details of the on-going major projects are set out in Section 7.4 of this Abridged Prospectus.

However, no assurance can be given that competition within these industries will not have any material impact on our business and financial performance.

6.1.3 Delay in completion of construction and property development projects

Timely completion and hand-over of our construction and property development projects is critical in ensuring costs are contained and our Group's reputation is safeguarded. However, delays in completion could result from unforeseen circumstances such as natural disasters, acute shortage of construction materials and workers, adverse weather conditions, unsatisfactory performance of contractors appointed for development and construction projects, delays in obtaining the necessary approvals from government/ local authorities, major changes in government/ local authorities' approval policies and/ or other unforeseen circumstances.

If any of the above mentioned circumstances happen or occur for a prolonged period, our Group may incur additional costs such as liquidated and ascertained damages payable to customers, rectification cost to repair defects or higher material/ labour costs and these may result in our financial performance being materially impacted.

To mitigate the risk of delays in completion of projects, we have in place, operational monitoring procedures to ensure that our projects are completed on time. In addition, our Group also seeks to limit these risks through, *inter alia*, periodic assessment of our sub-contractors and suppliers as to their ability to deliver their services/ products timely and satisfactorily, assessment of their financial strength and sourcing for sub-contracting services/ raw materials from a large base of sub-contractors and suppliers, as the case may be, to avoid over-dependence on any single sub-contractor or supplier.

As at the LPD, we have not encountered any material delay in the completion of our construction and property development projects that have a material impact on our business. Further, our Group's well qualified and experienced management team works closely with all suppliers and contractors, and follows up closely with the relevant authorities to ensure that delays in completion of projects are minimised or avoided.

6.1.4 Cost overrun

Our Group carries out internal costing and budgeting estimates of raw material, sub-contracting costs and overheads based on the indicative pricings given by our suppliers and sub-contractors, as well as our own estimate of costs for our development projects, tenders for construction projects and quotations for the supply of concrete products.

However, in the event of incorrect estimations of costs during the budgeting or costing stage due to unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions or unanticipated construction constraints at the worksite and/ or fluctuations in prices of raw materials and sub-contractors services, additional costs which are not previously factored into the costing may arise.

Our Group seeks to mitigate the risk of cost overruns by setting contingency provisions in our costing and adopt the less labour intensive Industrialised Building System (IBS) construction method, whenever feasible and permissible by our customers (where applicable). IBS generally involves offsite, mass production of building components in an automated or controlled industrial manufacturing environment. Accordingly, our reliance on subcontracted labours will be reduced while consistency in quality of output is achieved. The risk of raw material price fluctuation in relation to our concrete products business is mitigated by the arrangement whereby some of our customers will supply steel, a raw material used in the production of the products ordered by them, at a price which is mutually agreed upon at the point of finalisation of the order.

While reasonable care is taken to address the possibility of costs overruns, there is no assurance that unforeseeable circumstances as mentioned above in our construction and property development projects will not have material impact on our financial performance.

6.1.5 Dependence on approval and licenses from authorities

The Malaysian construction industry is highly regulated, with various government bodies governing the approval of licences and certification to contractors providing construction services in Malaysia. As such, our construction business is bound by the terms of the licences awarded by these authorities, which dictate the types and nature of construction projects which we can undertake. Whereas, our property development business is subject to various regulatory approvals in respect of the development plans, development orders, building plans, developer licences and advertising permits issued by the relevant local authorities. All of these licences and certification are subject to periodic renewals. The progress of our construction and property development projects are set out in Section 7.4 of this Abridged Prospectus.

The revocation or non-renewal of these approvals, licenses and certification would adversely affect our ability to generate future profits which will in turn impact the financial position of our Group. However, as at LPD, we have not encountered nor do we anticipate any major disruptions in obtaining approvals and renewals for the necessary licences from the various government agencies. Our Group seeks to mitigate any hindrances in renewing or applying for new licences or certification by strict compliance with the procedural and documentation requirements in relation to the applications for the aforementioned approvals.

6.1.6 Risk of unsold properties

Our Group has ventured into property development sector with the present developments in Melaka, Sentul and Puchong. In the event our Group is unable to sell a significant portion of our properties offered in a particular development, our financial results may be affected. Furthermore, the unsold properties that we continue to hold for sale post-completion of the project may be relatively illiquid. Such concern may affect our ability to realise cash and also have an adverse effect on the prices of unsold units in the event that we are required to sell the unsold properties urgently. In such an event, our cash flow and financial performances may be affected.

Our Group seeks to mitigate the risk by conducting market survey and feasibility studies prior to any new property development launches. Nevertheless no assurance can be given that the occurrence of unsold properties will not have a material impact on our Group's business and financial performance.

For information purposes, the details of our Group's on-going property development projects are set out in Section 7.4 of this Abridged Prospectus.

6.1.7 Political, economic, market and regulatory risks

Our financial and business prospects, and the industries in which we operate in, will depend to some degree on the developments in the political and regulatory front in Malaysia. Amongst the political, economic, market and regulatory risk factors are global economic slowdown, changes in interest rates, war, terrorism activities, expropriations, changes in political leadership and unfavourable changes in the governmental policies such as licensing regulations.

Our Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these risks. However, no assurance can be given that adverse development or change in the political, economic, market and regulatory in Malaysia will not materially affect our Group's business and financial position.

6.1.8 Dependence on key personnel

Our continued success is dependent on the ability, expertise, experience, competency and continued efforts of our existing Board and key management personnel. The departure of any of these individuals without suitable and timely replacements and an inability to attract or retain qualified and suitable personnel may have an unfavourable and material impact on the business and operating results of our Group.

To avoid over dependence on any key personnel, we strive to attract qualified and experienced personnel as well as to enhance our succession planning programme by grooming junior personnel to complement our management team. We believe that offering competitive salary packages, training and having a conducive working environment should mitigate this risk further, and in turn help to ensure continuity and competency of our management team.

6.1.9 Credit risks

Generally, the risk of potential bad debts is considered to affect most businesses. We may experience delays in payment for our services and products, or in more severe cases, we may not be able to collect payment. In the event of payment defaults, we would have to make provisions for doubtful debts or incur bad debts written off, which will have an adverse impact on our profitability. Generally, most of our clients make their payments on time and thus, the impact of delay in payment on our profitability has not been material. Our Group had not incurred any bad debts for the past three (3) financial years up to the FYE 30 June 2013.

As set out in Section 6 of Appendix II of this Abridged Prospectus, our Group incurred a loss of RM21.28 million for the FYE 30 June 2012 due to recognition of cost for variation orders. As at the LPD, a total of approximately RM17.40 million out of RM24.80 million of the cost recognised for variation orders in the FYE 30 June 2012 has been approved by our clients.

To keep our credit risk under control, we assess the financial and credit position of potential clients by reviewing their audited financial statements, as well as carrying out checks on their reputation and creditability in terms of timeliness and ability to honour payments for contracts with other contractors within the construction industry.

For existing clients, we continually assess and review their credit position and maintain close contact with these clients, thereby allowing us to be in a better position to notice any changes that may have an impact on their credit position and thus affect their ability to make payment for our services and products. We may also periodically review the audited financial statements of these clients to assess their financial position.

Nevertheless, there is no assurance that all debts/ costs would be collected/ recovered.

6.1.10 Borrowings and fluctuations in interest rates

Our Group obtained bank borrowings and loan facilities to finance, *inter alia*, our day to day operations. As payment of interest on the bank borrowings is dependent on prevailing interest rates, future fluctuations of interest rates could materially affect our Group's profitability.

In addition, the agreements on bank credit facilities and securities in relation thereto, contain covenants which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/ or enforce any security granted in relation to the particular credit facility.

Our Group's gearing stood at 0.34 times and 0.28 times as at 30 June 2013 and 31 March 2014, respectively, and all our borrowings are interest bearing obligations. Despite the relatively manageable gearing level, any interest rate hike may affect our businesses and hence, we manage the net exposure to interest rate risks by maintaining sufficient lines of credits to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. As at the LPD, we have not encountered any default in payment on the bank borrowings.

However, Bank Negara Malaysia had on 10 July 2014, raised the overnight policy rate by 25 basis points to 3.25%, which may lead to an interest rate hike. Our exposure to such interest rate risks arise as all of our borrowings bearing variable interest rates, namely term loan and invoice financing, amounting in aggregate to RM48.66 million, as at 30 June 2013. For illustration purpose, based on our borrowings (bearing variable interest rates) of RM48.66 million and assuming that the interest rate hike by 25 basis points has been effected as at 30 June 2013, we will incur additional interest expense of approximately RM0.12 million. Considering that the said interest expense constitutes approximately 2.87% of our Group's net profit of RM4.18 million for the FYE 30 June 2013, we are of the view that our profitability is not expected to be adversely affected by such interest rate hike.

Notwithstanding that, we shall continue to undertake the abovementioned measures in managing our net exposure to any such interest rate risks.

6.2 Risks relating to the Rights Issue with Warrants

6.2.1 Market risks for the Rights Shares and the Warrants

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

The value of the Warrants is dependent on the market price of our Shares, exercise price for the Warrants, remaining tenure of the Warrants, volatility of our share price and the perceived risk-free rates applicable in the relevant market. In view of this, there can be no assurance that the Warrants will be "in-the-money" during the tenure of the Warrants. There can also be no assurance that an active market for the Warrants will develop upon or subsequent to the listing of the Warrants on Bursa Securities or if developed, that such market can be sustained.

Furthermore, you are reminded that should the outstanding Warrants expire at the end of its tenure, it will cease thereafter to be valid for any purposes and hence, will no longer have any value.

6.2.2 Delay in or 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 such as changes in political leadership and unfavourable changes in the governments' policies such as taxation regulations as well as other force majeure events, which are beyond the control of our Company and RHBIB, 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 of the Rights Shares 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 Shares with Warrants is aborted/ terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares 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 recovered within a short period of time or at all in such circumstances.

6.3 Risks relating to the Diversification

6.3.1 Business risks

The Diversification is subject to the risks inherent in the timber industry. These include the risks of the weather conditions, changes in cost of labour, changes in general economic, unfavourable changes in local government, dependence on sub-contractors and international policies and negative publicity from non-governmental organisations concerned with the effect of timber logging on the environment.

Nevertheless, our Company shall endeavour to keep abreast with the latest development in timber industry and general economic conditions to enable our Board to take appropriate measures it deems fit to mitigate the risks. Our Company also intends to maintain a large pool of sub-contractors to reduce the risk of dependence on sub-contractors. However, there is no assurance that any changes to the abovementioned factors, which are beyond the control of our Board, will not materially affect BVS and SASB's business and financial conditions.

6.3.2 Fluctuation in selling prices of timber products

The timber industry is exposed to fluctuation in the selling prices and demand for logs and timber products.

Therefore, the profit contribution from the logging and timber trading business will be subject to fluctuation in the selling prices and demand for the products. While the Diversification is expected to contribute to the future earnings of our Group, there is a possibility that the actual results differ and potentially, in a material way.

6.3.3 Political, economic and regulatory considerations

With the participation of our Company in the timber industry, our business, prospects, financial condition and level of profitability are now subject, to certain extent, the developments in the economic, political and regulatory environment of Malaysia. Amongst the political, economic, market and regulatory risk factors are global economic slowdown, changes in interest rates, war, terrorism activities, expropriations, changes in political leadership and unfavourable changes in the governmental policies such as licensing regulations.

Our Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these risks. However, no assurance can be given that adverse development or change in the political, economic, market and regulatory in Malaysia will not materially affect the business operation and financial performance of BVS and SASB.

6.3.4 Risks in relation to the appointment and agreement

BVS has been appointed, on 3 February 2014, as a contractor by Cekal Kasih Sdn Bhd ("CKSB") with the rights to undertake the extraction and sale of timber extracted from Hutan Simpan Tekai Tembeling, Mukim Hulu Tembeling, Daerah Jerantut, Pahang measuring an approximate area of 1,000 acres for a period of 12 months from the date of issuance of license to CKSB for timber extraction, by Jabatan Perhutanan Negeri Pahang Darul Makmur ("JPNP") ("Appointment"). The timber extraction license is expected to be issued by end of September 2015. Further information on CKSB has been set out in Circular to shareholders of Fajarbaru dated 9 June 2014.

In addition, SASB had on 10 March 2014 entered into an agreement with YAM Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah ("YAM Tengku") to undertake the extraction and sale of timber extracted from Hutan Simpan Kekal Yong, Mukim Tembeling, Daerah Jerantut, Pahang measuring an approximate area of 28,645 acres ("Agreement"). The Agreement shall be valid for a period of 48 months from the date of issuance of license to YAM Tengku for timber extraction, by JPNP. The timber extraction license is expected to be issued by end of September 2014.

For avoidance of doubt, BVSB and SASB do not own any timber concession. The logging and timber trading business is undertaken pursuant to the aforementioned Appointment and Agreement. If the aforesaid Appointment and Agreement are terminated due to BVSB and/ or SASB failing to comply with or are in breach of any terms and conditions of the Appointment and the Agreement or for any other matter whatsoever, BVSB and SASB might not be able to undertake any timber extraction activities and hence cannot recoup its investment in the logging and timber trading business. As at the LPD, our Group has incurred approximately RM1.50 million to build access road and bridge to facilitate the timber extraction activities at SASB Area.

In addition, there is no assurance that, BVSB and/ or SASB will be able to secure more appointment or agreement to undertake the extraction and sale of timber moving forward.

Notwithstanding the above, BVSB and SASB will take reasonable steps that are within its control to ensure that the terms and conditions in relation to the Appointment and the Agreement are fulfilled in a timely manner.

6.3.5 Timber extraction license

As set out in Sections 6.3.4 of this Abridged Prospectus, the timber extraction by BVSB and SASB is subject to the timber extraction license issued by JPNP to CKSB and YAM Tengku, respectively, which in turn subject to fulfilment of the terms and conditions, which are generally operational and procedural in nature, imposed by JPNP.

In the event of non-issuance of timber extraction license by JPNP due to breach/ non-fulfilment of terms and conditions imposed by JPNP, BVSB and SASB will not be able to commence any form of timber extraction activities.

Further, the licenses for timber extraction at BVSB Area and SASB Area are only valid for a period of 12 months and 48 months, respectively. There can be no assurance that BVSB and SASB will be able to complete the extraction of timber in the respective timber extraction areas before the expiry date of the timber extraction licenses in order to realise the full benefits of the Appointment and the Agreement.

BVSB and SASB will take all the necessary steps that are within their control to facilitate the fulfilment of the terms and conditions imposed by JPNP. However, there is no assurance that all terms and conditions can be fulfilled and/ or the timber extraction license will be issued by JPNP for BVSB Area and SASB Area.

Further, barring any unforeseen circumstances, BVSB and SASB are of the view that the extraction of timber in the BVSB Area and SASB Area is achievable by the expiry date of the respective timber extraction license.

6.3.6 Competition

Competition from both local and foreign producers of logs will have direct impact on our Group' financial performance. Our Group may also face competition in the form of substitute materials such as non-tropical timber. Pressures from environmental groups worldwide may also affect the demand pattern for tropical logs and their products.

Our Group will take pro-active measures to mitigate these risks which include constantly reviewing the marketing strategies in response to the ever changing market conditions and to meet the needs of the target market. Nevertheless, no assurance can be given that any change in the market condition will not have an adverse effect on the financial conditions of our Group.

6.3.7 Dependence on key personnel

BVSB and SASB's future success will depend upon its ability to attract and retain the key personnel. The loss of key personnel of BVSB and SASB may have an unfavourable and material impact on the performance of BVSB and SASB as the continued success of the business is considerably dependent on the combined efforts of the management team of BVSB and SASB.

BVSB and SASB will endeavour to maintain cordial relationship with its employees upon commencement of its logging operations.

6.4 Forward-looking statements

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 are based on assumptions made by our management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results 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. In view of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by us on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a strong growth of 6.4% in the second quarter of 2014 (1Q 2014: 6.2%), underpinned by higher exports and continued strength in private domestic demand. On the supply side, growth in the major economic sectors remained firm, supported by trade and domestic activity. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.8% (1Q 2014: 0.8%).

Domestic demand grew by 5.7% in the second quarter of 2014 (1Q 2014: 7.4%). Private sector activity remained the key driver of growth during the quarter amid strong investment and consumption. Public sector spending declined during the quarter, due to lower public investment and consumption.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2014, Bank Negara Malaysia)

7.2 Overview and outlook of the construction and property development industries in Malaysia

After the exceptionally strong growth in the first quarter of 2014, the construction sector recorded a more moderate pace of expansion during the second quarter of 2014 (2Q 2014: 9.9%; 1Q 2014: 18.9%). Growth was driven mainly by the residential sub-sector, underpinned by the construction activity of high end properties in Johor and Klang Valley. The non-residential sub-sector remained supported by construction activity related to offices and retail buildings, factories and institutions of higher learning. Meanwhile, growth in the civil engineering sub-sector was supported by rail and utility projects such as the Mass Rapid Transit (MRT), Light Rail Transit (LRT) extension, and Tanjung Bin power plant.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2014, Bank Negara Malaysia)

The construction sector continued to post a robust growth of 18.9% (Q4 2013: 9.8%). Growth was driven by expansion in the residential subsector (29.7%) with an increasing number of private residential projects ranging from low to high-end properties, particularly in the Klang Valley, Penang and Johor. The civil engineering subsector grew 8.6%, supported by the continued implementation of large transport-related infrastructure as well as oil and gas projects.

(Source: Quarterly Update on the Malaysia Economy – 1st Quarter, 2014, Ministry of Finance)

The residential subsector expanded 15.7% supported by strong demand and reflected in higher construction activities with housing starts rising 20.3%, to 73,804 units for the first half of 2013. In the residential segment, two (2) and three (3)-storey terraced houses as well as condominiums/ apartments accounted for 24.9% and 22.3% of the commencement for all the residential development, respectively. During the first six (6) months of the year 2013, the Klang Valley continued to dominate the supply, accounting for 31.0% of housing starts followed by Johor (23.1%), spurred by ongoing infrastructure development. To expand the supply of affordable houses, the Government has introduced the PR1MA, which is expected to provide 80,000 houses as announced in the 2013 Budget. As at the end of June 2013, a total of 20,000 houses under 15 affordable housing projects are being constructed in the Klang Valley, Johor, Pulau Pinang, Sabah and Sarawak.

In line with the Government's objective to provide affordable houses to low-income group, Syarikat Perumahan Negara Berhad ("SPNB") has constructed 5,063 units of Rumah Mesra Rakyat 1Malaysia as at the end of June 2013. In addition, SPNB has targeted to build 7,092 units of low and medium-cost apartments and terraced houses within the next three (3) years. Meanwhile, a total of 45 projects involving 20,454 units of houses under the Program Perumahan Rakyat will be implemented by Jabatan Perumahan Negara.

Sales of new launches remained favourable with a take-up rate of 21.8% for the first half of the year 2013. In line with the increasing demand, the property overhang declined 9.5% to 14,576 units as at the end of June 2013 amid the better sales performance of the residential segment.

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2013/ 2014, Ministry of Finance, Malaysia)

7.3 Overview and outlook of the timber industry in Malaysia

The wood-based industry is a major contributor to value-added, export earnings and employment in the manufacturing sector. It has extensive backward linkages with the primary sector, principally tropical hardwood timber and rubberwood, and forward linkages to the metals, and machinery and equipment industries. From being a major supplier of plywood, the industry has progressed to become a major exporter of medium density fibreboards and rubberwood furniture. Malaysia is presently the world's fourth largest exporter of medium density fibreboards and second largest exporter of furniture in Asia.

During the period of the Third Industrial Master Plan ("IMP3"), 2006 – 2020, the industry will continue to be export driven. The production of timber, including rubberwood, will be enhanced through efficient and effective management of forests and forest plantations, and the promotion in the use of lesser promoted species will be undertaken. Through further improvements in technology, research and development and market promotion, the industry is expected to further expand into specialised bio-composites and other high value-added products to cater for niche markets. It will also progress towards improvement of quality and minimisation of waste, through design development, by creating innovative products, and the enhancement of image through branding. The industry will continue to strengthen its 'green' image, through undertaking and promoting sustainable development taking into consideration environmental concerns.

The total investments in the industry for the IMP3 period are targeted at RM25.4 billion or RM1.7 billion per annum. Exports are targeted to grow at an annual rate of 6.4 per cent to reach RM53 billion by 2020.

With the growing concern on the environment in the developed markets, the 'green image' of the industry will be promoted through sustainable forest management. Companies will be encouraged to obtain certification from the Malaysian Timber Certification Council. Other 'green' initiatives will be undertaken such as promoting utilisation of wood waste, non-wood fibres and biocomposites, and encouraging manufacturers to attain international environment standards, for example, ISO 14000.

In terms of market development and promotion, efforts will be intensified to gain access to non-traditional markets, such as India, West Asia and Africa. The adoption of certification of wood products, according to international trading requirements, will be encouraged. The greater utilisation of wood products will be promoted through introduction of new applications of wood products in the export markets.

(Source: Third Industrial Master Plan 2006 - 2020)

7.4 Future prospects of our Group

The existing principal activities of Fajarbaru are investment holding and provision of management services. Its subsidiaries are involved in construction, trading of construction materials and property development. Our subsidiaries will also be involved in logging and timber trading business pursuant to the Diversification.

As at the LPD, our Group has a balance order book of approximately RM500.20 million, which is expected to provide earnings visibility to our Group over the next two (2) years.

The details of the on-going major construction projects undertaken by our Group together with the balance order book are set out as follows:-

Type of projects and location	Original contract value RM'000	Balance order book as at the LPD RM'000	Expected completion Date	Stage of completion as at the LPD %
Construction and Completion of Depot and Traction Power Substation (Package B) for Ampang LRT Line Extension, Selangor	289,445	169,175	Feb 2015	50.05
Demolition, Construction and Completion of 20-Storey Shaw Parade, Kuala Lumpur	72,924	51,828	Jan 2015 ¹	34.41
Construction and Completion of Sewerage Treatment Plant at Lot 130 (Package 1), Klang	61,991	19,956	Nov 2014	71.50
Design and Build of 11-Storey of Gleneagles Hospital, Medical Suite (Phase 1A), Kuala Lumpur	166,426	90,955	Dec 2014	44.13
Station 1, 2 and Traction Power Substation (Package A) for Ampang LRT Line Extension, Selangor	62,666	37,062	July 2015	53.11
Station 1, 2, 3 and Traction Power Substation A & B (Package A) for Kelana Jaya LRT Line Extension, Selangor	87,386	69,009	Dec 2015	36.70
Comprehensive Operation and Maintenance for Visual Docking Guidance System at KLIA2	13,743	13,088	May 2017	9.06
Construction and Completion of Kuantan Port City (KPC) Port Link Road in Kuantan, Pahang (Package 1)	49,126	49,126	Jan 2016	Nil
	803,707	500,199		

Note:-

¹ Pending approval for extension of time from client

Approximately 68.5% of the on-going construction contracts were secured mainly from a diversified clientele which our Group has built long term relationship with. Moving forward, our Group will leverage on its experience to tender for public and private project to replenish and/ or build up its order book and enhance the value of its shareholders. As at the LPD, we have submitted six (6) tenders for various construction projects amounting to RM3.89 billion in aggregate.

The details of our Group's on-going property development projects are set out below:-

Location	Property type	Land area	Expected launch date	Estimated GDV RM' million	Status	Expected commencement date of construction work	Expected completion date
Pulau Melaka	One (1) block of 26-storey serviced apartment consists of 160 units – Parcel 1	1.07 acres of leasehold land	First quarter of 2015	64	All the necessary approvals have been obtained	Third quarter of 2015	First quarter of 2018
Pulau Melaka	Two (2) blocks of 30-storey serviced apartment consists of 467 units – Parcel 2	2.06 acres of leasehold land	First quarter of 2016	186	Pending finalisation of building plan for submission to Majlis Bandaraya Melaka Bersejarah	Third quarter of 2016	First quarter of 2019
Sentul	One (1) block of 32-storey serviced apartment consists of 388 units	2.30 acres of freehold land	Third quarter of 2015	222	Pending decision from the committee of Pusat Setempat Dewan Bandaraya Kuala Lumpur (OSC DBKL) on our Company's appeal to increase the plot ratio	First quarter of 2016	Third quarter of 2018
Puchong	Two (2) blocks of 32-storey condominium and 3 blocks of 13, 13 and 15-storey medium cost apartment	6.79 acres of freehold land	First quarter of 2015	386	Pending completion of solicitation of objections from adjacent property owners affected by the development	Third quarter of 2015	First quarter of 2018

The above developments shall be funded via a combination of internally generated funds and external bank borrowings. The exact mix of the internally generated funds and external bank borrowings shall be decided by our Company at a later stage prior to commencement of construction works.

In addition to the abovementioned existing business segments, our Company, via BVSB and SASB, expects to derive its revenue from logging and timber trading business pursuant to the Diversification. With the general favourable outlook of the timber industry as set out in 7.3 of this Abridged Prospectus, BVSB and SASB are expected to benefit from the Appointment and the Agreement. Further to the Appointment and the Agreement, BVSB had on 4 July 2014 entered into another agreement with CKSB to accept the offer to under the extraction and sale of timber from Kompartmen 304, 305, 306, 307 & 308 Hutan Simpan Berkelah, Jerantut, Pahang measuring approximately area of 1,423 acres for a period of 12 months from the date of issuance of licence to CKSB. Going forward, our Company intends to seek further opportunities in timber industry by leveraging on the strategic and cordial partnership with Dato' Sri Lim Ah Chap who has more than 30 years of experience in the timber industry to further enhance the prospects and earnings visibility of timber segment. In line with the aforesaid, our Company will recruit more experienced management personnel to be part of the logging and timber trading segment.

Barring any unforeseen circumstances, our Board after having considered all the relevant aspects, including the abovementioned prospects as well as the industry overview and outlook, is of the view that the Corporate Exercises are expected to contribute positively to the future earnings of our Group and enhance the shareholders' value of our Company in the medium to long term.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue with Warrants on our issued and paid-up share capital as at the LPD are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	220,304,740	110,152,370	220,304,740	110,152,370
Less: Treasury shares, at par	(1,048,164)	(524,082)	-	-
	219,256,576	109,628,288	220,304,740	110,152,370
Assuming full exercise of the outstanding ESOS Options	-	-	20,828,501	10,414,251
	219,256,576	109,628,288	241,133,241	120,566,621
Shares to be issued pursuant to the Rights Issue with Warrants	10,399,003	5,199,502	120,566,620	60,283,310
	229,655,579	114,827,790	361,699,861	180,849,931
Assuming full exercise of the Warrants	10,399,003	5,199,502	120,566,620	60,283,310
Enlarged issued and paid-up share capital	240,054,582	120,027,292	482,266,481	241,133,241

8.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of our Group as at 30 June 2013, the proforma effects of the Rights Issue with Warrants on the NA per Share and gearing of our Group are set out below:-

Minimum Scenario

	Audited as at 30 June 2013 RM'000	I Adjustments for the subsequent events ¹ RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming full exercise of the Warrants RM'000
Share capital	95,846	110,152	115,352	120,552
Treasury shares, at cost	(1,127)	(1,130)	(1,130)	(1,130)
Share premium	3,783	4,208	3,658 ²	6,466 ⁴
Warrants reserve	1,175	-	728 ³	-
Other reserve	(64)	1,111	1,111	1,111
Fair value reserve	2,343	2,343	2,343	2,343
ESOS reserve	359	-	-	-
Retained profits	41,728	41,789	41,061 ³	41,061
Shareholders' Equity/ NA	144,043	158,473	163,123	170,403
Number of Shares in issue (excluding treasury shares) ('000)	190,649	219,257	229,656	240,055
NA per Share (RM)	0.76	0.72	0.71	0.71
Total borrowings (RM'000)	48,660	48,660	48,660	48,660
Gearing ratio (times)	0.34	0.31	0.30	0.29

Notes:-

¹ After adjusting for the following:-

- (i) 5,000 and 100 Fajarbaru Shares bought-back by our Company on 29 October 2013 and 2 May 2014, respectively;
- (ii) 22,242,962 Warrants 2008/ 2013 exercised at an exercise price of RM0.50 per warrant subsequent to the FYE 30 June 2013 and up to the expiry of Warrants 2008/ 2013 on 20 October 2013 ("Expiry") and the reversal of warrants reserve upon Expiry;
- (iii) reversal from warrants reserve for 1,250,360 Warrants 2008/2013 upon the Expiry;
- (iv) 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the FYE 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013 ("Expiry of Options") and the reversal of ESOS reserve upon exercise of 6,370,000 ESOS Options;
- (v) reversal from ESOS reserve for 1,310,000 ESOS Options lapsed subsequent to the FYE 30 June 2013 and up to the Expiry of the Options;
- (vi) The adjustment for the acquisition of 51% equity interests in BYSB, a company incorporated in Malaysia for a total cash consideration of RM408,000. The transaction was completed on 3 March 2014; and
- (vii) The adjustment for the acquisition of 100% equity interest in SASB, a company incorporated in Malaysia for a total cash consideration of RM1,000,000. The transaction was completed on 15 April 2014

² After deducting the estimated expenses of RM550,000 in relation to the Corporate Exercises

³ After the recognition of 10,399,003 Warrants to be issued at the theoretical fair value of RM0.07 per Warrant

⁴ After adjusting for the full exercise of 10,399,003 Warrants at an exercise price of RM0.70 per Warrant and reversal of Warrants reserve upon exercise of 10,399,003 Warrants

Maximum Scenario

	Audited as at 30 June 2013 RM'000	I Adjustments for the subsequent events ¹ RM'000	II After I and assuming all the treasury shares are resold in the open market RM'000	III After II and assuming full exercise of the ESOS Options granted RM'000	IV After III and Rights Issue Warrants RM'000	V After IV and assuming full exercise of the Warrants RM'000
Share capital	95,846	110,152	110,152	120,567	180,850	241,133
Treasury shares, at cost	(1,127)	(1,130)	-	-	-	-
Share premium	3,783	4,208	4,208	9,207 ²	8,657 ⁴	41,210 ⁶
Warrants reserve	1,175	-	-	-	8,440 ⁵	-
Other reserve	(64)	1,111	1,111	1,111	1,111	1,111
Fair value reserve	2,343	2,343	2,343	2,343	2,343	2,343
ESOS reserve	359	-	-	-	-	-
Retained profits	41,728	41,789	41,789	38,248 ³	29,808 ⁵	29,808
Shareholders' Equity/ NA	144,043	158,473	159,603	171,476	231,209	315,605
Number of Shares in issue ('000)	190,649 ⁷	219,257 ⁷	220,305	241,133	361,700	482,266
NA per Share (RM)	0.76	0.72	0.72	0.71	0.64	0.65
Total borrowings (RM'000)	48,660	48,660	48,660	48,660	48,660	48,660
Gearing ratio (times)	0.34	0.31	0.30	0.28	0.21	0.15

Notes:-

¹ After adjusting for the following:-

- (i) 5,000 and 100 Fajarbaru Shares bought-back by our Company on 29 October 2013 and 2 May 2014, respectively;
- (ii) 22,242,962 Warrants 2008/ 2013 exercised at an exercise price of RM0.50 per warrant subsequent to the FYE 30 June 2013 and up to the expiry of Warrants 2008/ 2013 on 20 October 2013 ("Expiry") and the reversal of warrants reserve upon Expiry;
- (iii) reversal from warrants reserve for 1,250,360 Warrants 2008/2013 upon the Expiry;
- (iv) 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the FYE 30 June 2013 and up to the Expiry of the Options and the reversal of ESOS reserve upon exercise of 6,370,000 ESOS Options;
- (v) reversal from ESOS reserve for 1,310,000 ESOS Options lapsed subsequent to the FYE 30 June 2013 and up to the Expiry of the Options;
- (vi) The adjustment for the acquisition of 51% equity interests in BVSB, a company incorporated in Malaysia for a total cash consideration of RM408,000. The transaction was completed on 3 March 2014; and
- (vii) The adjustment for the acquisition of 100% equity interest in SASB, a company incorporated in Malaysia for a total cash consideration of RM1,000,000. The transaction was completed on 15 April 2014

² After adjusting for the outstanding 20,828,501 ESOS Options at an assumed exercise price of RM0.57 and reversal of ESOS reserve upon exercise of 20,828,501 ESOS Options;

³ After the recognition of 20,828,501 ESOS Options to be granted at the theoretical fair value of RM0.17 per option

⁴ After deducting the estimated expenses of RM550,000 in relation to the Corporate Exercises

⁵ After the recognition of 120,566,620 Warrants to be issued at the theoretical fair value of RM0.07 per Warrant

⁶ After adjusting for the full exercise of the Warrants at an exercise price of RM0.70 per Warrant and reversal of the warrants reserve upon full exercise of the Warrants

⁷ Excluding treasury shares

8.3 Earnings and EPS

The Rights Issue with Warrants is not expected to have any material effect on the earnings of our Group for the FYE 30 June 2015. However, the EPS of our Group may be diluted as a result of the increase in the number of Fajarbaru Shares in issue upon the completion of the Rights Issue with Warrants, which is expected to be completed by the fourth quarter of 2014, and as and when the Warrants are exercised into new Fajarbaru Shares.

Purely for illustrative purposes only, based on the consolidated financial statements of Fajarbaru for the FYE 30 June 2013, the proforma effects of the Rights Issue with Warrants on the EPS of Fajarbaru are as set as follows:-

Minimum Scenario

	Audited as at 30 June 2013	I Adjustments for the subsequent events up to the LPD ¹	II After I and the Rights Issue with Warrants	III After II and assuming full exercise of the Warrants
Profit attributable to owners of the Company (RM'000)	4,176	4,176	4,176	4,176
Number of Shares in issue (excluding treasury shares) ('000)	190,649	219,257	229,656	240,055
Basic EPS (sen)	2.19	1.90	1.82	1.74

Note:-

¹ After adjusting for the following:-

- (i) 5,000 and 100 Fajarbaru Shares bought-back by our Company on 29 October 2013 and 2 May 2014, respectively;
- (ii) 22,242,962 Warrants 2008/ 2013 exercised at an exercise price of RM0.50 per warrant subsequent to the FYE 30 June 2013 and up to the expiry of Warrants 2008/ 2013 on 20 October 2013 ("Expiry") and the reversal of warrants reserve upon Expiry;
- (iii) reversal from warrants reserve for 1,250,360 Warrants 2008/2013 upon the Expiry;
- (iv) 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the FYE 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013 ("Expiry of Options") and the reversal of ESOS reserve upon exercise of 6,370,000 ESOS Options;
- (v) reversal from ESOS reserve for 1,310,000 ESOS Options lapsed subsequent to the FYE 30 June 2013 and up to the Expiry of the Options;
- (vi) The adjustment for the acquisition of 51% equity interests in BVS B, a company incorporated in Malaysia for a total cash consideration of RM408,000. The transaction was completed on 3 March 2014; and
- (vii) The adjustment for the acquisition of 100% equity interest in SASB, a company incorporated in Malaysia for a total cash consideration of RM1,000,000. The transaction was completed on 15 April 2014

Maximum Scenario

	I	II	III	IV	V
	Adjustments for the subsequent events up to the LPD ¹	After I and assuming all the treasury shares are resold in the open market	After II and assuming full exercise of the ESOS Options granted	After III and Rights Issue with Warrants	After IV and assuming full exercise of the Warrants
	Audited as at 30 June 2013				
Profit attributable to owners of the Company (RM'000)	4,176	4,176	4,176	4,176	4,176
Number of Shares in issue ('000)	190,649 ²	220,305	241,133	361,700	482,266
Basic EPS (sen)	2.19	1.90	1.73	1.15	0.87

Notes:-

¹ After adjusting for the following:-

- (i) 5,000 and 100 Fajarbaru Shares bought-back by our Company on 29 October 2013 and 2 May 2014, respectively;
- (ii) 22,242,962 Warrants 2008/ 2013 exercised at an exercise price of RM0.50 per warrant subsequent to the FYE 30 June 2013 and up to the expiry of Warrants 2008/ 2013 on 20 October 2013 ("Expiry") and the reversal of warrants reserve upon Expiry;
- (iii) reversal from warrants reserve for 1,250,360 Warrants 2008/2013 upon the Expiry;
- (iv) 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the FYE 30 June 2013 and up to the Expiry of the Options and the reversal of ESOS reserve upon exercise of 6,370,000 ESOS Options;
- (v) reversal from ESOS reserve for 1,310,000 ESOS Options lapsed subsequent to the FYE 30 June 2013 and up to the Expiry of the Options;
- (vi) The adjustment for the acquisition of 51% equity interests in BVSB, a company incorporated in Malaysia for a total cash consideration of RM408,000. The transaction was completed on 3 March 2014; and
- (vii) The adjustment for the acquisition of 100% equity interest in SASB, a company incorporated in Malaysia for a total cash consideration of RM1,000,000. The transaction was completed on 15 April 2014

² Excluding treasury shares

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

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM72.24 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	RM'000
Short term borrowings:-	
Trade financing	29,340
Term loan financing	10,397
Long term borrowings:-	
Term loan financing	32,501
Total	<u><u>72,238</u></u>

After having made all reasonable enquiries by our Board, there has been no default on payments of either interest and/ or principal sums in respect of any borrowings for the FYE 30 June 2013 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

After having made all reasonable enquiries by our Board, as at the LPD, there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

9.4 Material commitments

After having made all reasonable enquiries by our Board, as at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

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 Allotment 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, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

10.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Allotment will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. You and/ or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares is at **5.00 p.m.** on **Thursday, 18 September 2014**, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

10.4 Procedure for full acceptance and payment

Acceptance and payment for the Provisional Allotment 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. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTION CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar at the address as set out below:-

by **COURIER** or **DELIVERED BY HAND**:-

Symphony Share Registrars Sdn Bhd (378993-D)

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

Helpdesk Tel : +603 - 7849 0777
Fax : +603 - 7841 8151/ 8152

by **ORDINARY POST**:-

Symphony Share Registrars Sdn Bhd (378993-D)

Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor

so as to arrive **not later than 5.00 p.m. on Thursday, 18 September 2014**, being the last date and time for acceptance and payment for the Rights Shares, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares subscribed for together with the Warrants will be credited into your CDS Account(s) where the Provisional Allotment is standing to the credit.

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

You and/ or your renounee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants comprises 100 Rights Shares and 100 Warrants respectively. Successful applicants of the Rights Shares will be given Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. Fractions of Rights Shares with Warrants, if any, will be disregarded, and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance and payment for the Provisional Allotment (whether in full or in part, as the case may be) is not received by our Share Registrar by **5.00 p.m. on Thursday, 18 September 2014**, being the last date and time and for acceptance and payment, or such later date and time as may be determined and announced by our Board at its absolute discretion not less than two (2) Market Days before the stipulated date and time, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such securities to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.8 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If you or your renounee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES 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" AND MADE PAYABLE TO "FAJARBARU RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

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, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS, AND NOTICES OF ALLOTMENT WILL BE DESPACHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES.

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

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, WILL BE REFUNDED WITHOUT INTEREST AND DESPACHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

10.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotment provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share.

You must complete both Parts I(A) and II of the RSF by specifying the number of the Rights Shares 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 10.4 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 Allotment that has not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotment.

10.6 Procedure for sale or transfer of the Provisional Allotment

As the Provisional Allotment are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotment to one (1) or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotment, 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 Allotment, you may still accept the balance of the Provisional Allotment by completing the RSF. Please refer to Sections 10.4 and 10.5 of this Abridged Prospectus for the procedure for acceptance and payment.

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

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at <http://www.bursamalaysia.com>.

ENTITLED SHAREHOLDERS WHO DISPOSE OR TRANSFER THEIR PROVISIONAL ALLOTMENT WILL AUTOMATICALLY BE DISPOSING OR TRANSFERRING THEIR ENTITLEMENTS TO THE RIGHTS SHARES AND THE WARRANTS IN THE PROPORTION OF ONE (1) RIGHTS SHARE WITH ONE (1) ATTACHED WARRANT SUBSCRIBED FOR.

10.7 Procedure for acceptance by renounees

Renounees who wish to accept the Provisional Allotment must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at <http://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renounees who wish to accept the Provisional Allotment.

RENOONEES 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.

10.8 Procedure for application of Excess Rights Shares with Warrants

You and/ or your renounee(s) (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 forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on Thursday, 18 September 2014**, being the last date and time for application and payment, or such later date and time as may be determined and announced by our Board at its absolute discretion not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 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 "FAJARBARU EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

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 Excess Rights Shares with Warrants applied for; and
- iv. Finally, for allocation to renounees 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 Excess Rights Shares with Warrants applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above is achieved.

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, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

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, WILL BE REFUNDED WITHOUT INTEREST AND DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

10.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository shall apply to the dealings in the Rights Shares and the 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.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants.

10.9.1 Subscription for the Rights Shares by Entitled Shareholders

Where the Rights Shares and Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing Fajarbaru Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Allotment shall mean that you consent to receive such Rights Shares and Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

10.9.2 Subscription of Rights Shares by renounees

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

10.9.3 Application for the Excess Rights Shares with Warrants by an Entitled Shareholder and/ or his renounee(s) (if applicable)

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 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 and/ or their renounee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s) (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 the aforesaid documents.

The Foreign Entitled Shareholders and/ or their renounee(s) (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.

RHBIB, other experts, our Company, our Directors and officers 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 and/ or their renounee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renounee(s) (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. RHBIB, other experts, our Company, our Directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renounee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renounee(s) (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 and/ or their renounee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or RHBIB in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/ or their renounee(s) (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 and/ or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHBIB, other experts, our Company, our Directors and officers 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 and/ or renounee(s) (if applicable) are or may be subject to;
- ii. they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;

- iii. they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- iv. they are aware that the Rights Shares and the Warrants can only be transferred, sold or otherwise disposed, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- v. they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose 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; and
- vi. they 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, 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 Warrants.

Persons receiving this Abridged Prospectus, the NPA and the RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the NPA and the RSF are received by any persons in such 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 jurisdiction in connection herewith.

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

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

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, the Deed Poll, and the NPA and the RSF enclosed herewith.

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12. FURTHER INFORMATION

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

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



DATO' SRI IR. KUAN PENG CHING @ KUAN PENG SOON
Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 JUNE 2014

FAJARBARU BUILDER GROUP BHD (281645-U)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY
GENERAL MEETING HELD ON 24 JUNE 2014

“ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 120,566,620 NEW ORDINARY SHARES OF RM0.50 EACH IN FAJARBARU ("FAJARBARU SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING FAJARBARU SHARES HELD TOGETHER WITH UP TO 120,566,620 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) FREE WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR, BASED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

Majority of the members/proxies present voted in favour of the resolution and resolved:

THAT subject to the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to the Board of Directors of the Company ("Board") for the following:-

- i. to provisionally allot and issue by way of a renounceable rights issue of up to 120,566,620 Rights Shares at an issue price to be determined and announced later by the Board, but in any case, not lower than the par value of Fajarbaru Shares on the basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares held together with up to 120,566,620 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date");
- ii. wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("Deed Poll") to be executed, at any time during the exercise period, for one (1) new Fajarbaru Share at an exercise price to be determined later by the Board, but in any case the exercise price will not be lower than the par value of Fajarbaru Shares;
- iii. to allot and issue such number of new Fajarbaru Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants in accordance with the provisions of the Deed Poll;
- iv. to allot and issue such further Warrants and new Fajarbaru Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and
- v. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad for the listing of and quotation for the new Fajarbaru Shares which may from time to time be allotted and issued upon exercise of the Warrants.

THAT fractional entitlements of the Rights Shares and the Warrants arising from the Proposed Rights Issue with Warrants shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

-2-

FAJARBARU BUILDER GROUP BHD (281645-U)

- *Extract of the Minutes of the Extraordinary General Meeting held on 24 June 2014*

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 9 June 2014 ("Circular"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject to the approvals of the relevant authorities, where required;

THAT the Rights Shares and the new Fajarbaru Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Fajarbaru Shares, save and except that the new Fajarbaru Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the said new Fajarbaru Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, including but not limited to the Deed Poll, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.

There was no vote against the above Ordinary Resolution 1."

"ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF FAJARBARU AND ITS SUBSIDIARIES TO INCLUDE LOGGING AND TIMBER TRADING BUSINESS ("PROPOSED DIVERSIFICATION")

After discussion, majority of the members/proxies present voted in favour of the resolution that:

THAT, subject always to the approvals of the relevant authorities and/ or parties being obtained, approval be and is hereby given to the Company and its subsidiaries to diversify its existing core business to include logging and timber trading business;

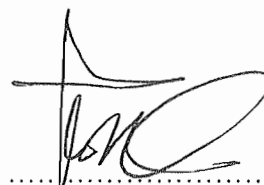
AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Diversification with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Diversification.

There was one shareholder voted against the above Resolution."

CERTIFIED TRUE COPY:



.....
Dato' Sri Ir. Kuan Peng Ching
@ Kuan Peng Soon
Director



.....
Tan Kok Aun
Company Secretary
(MACS 01564)

Dated: 30 June 2014

INFORMATION ON OUR COMPANY**1. HISTORY AND PRINCIPAL ACTIVITIES**

Our Company was incorporated in Malaysia on 16 November 1993 under the Act as a private limited company under the name of Bayu Tuah Sdn Bhd. We were subsequently converted into a public limited company on 25 July 1994 and subsequently changed our name to Fajar Baru Capital Bhd on 17 November 1994. We were listed on the Second Board of Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 2 March 1998. We assumed our present name on 26 December 2007.

We are principally engaged in investment holding. Our subsidiary companies are principally involved in construction, property development, and trading of construction materials. Our subsidiaries will also be involved in logging and timber trading business pursuant to the Diversification.

Further details on the principal activities of our subsidiary companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	500,000,000	0.50	250,000,000
Issued and paid-up	220,304,740	0.50	110,152,370

There was no change in our authorised share capital for the past three (3) years preceding the LPD.

The details of the changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
19.10.2011	50,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	86,370,537.50
13.12.2011	39,920	0.50	Cash/ Exercise of Warrants at RM0.50 per share	86,390,497.50
10.01.2012	149,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	86,464,997.50
13.01.2012	15,000,000	0.50	Cash/ Private placement at RM0.90 per share	93,964,997.50
17.01.2012	59,920	0.50	Cash/ Exercise of Warrants at RM0.50 per share	93,994,957.50
10.02.2012	69,920	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,029,917.50

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
14.02.2012	79,600	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,069,717.50
09.03.2012	251,060	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,195,247.50
13.03.2012	40,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,215,247.50
14.03.2012	30,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,230,247.50
18.04.2012	79,880	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,270,187.50
25.04.2012	20,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,280,187.50
10.05.2012	94,020	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,327,197.50
14.05.2012	33,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,343,697.50
17.05.2012	20,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,353,697.50
22.05.2012	1,550	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,354,472.50
18.06.2012	135,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,421,972.50
21.06.2012	104,060	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,474,002.50
05.07.2012	36,100	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,492,052.50
15.03.2013	60,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,522,052.50
27.03.2013	21,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,533,002.50
29.03.2013	80,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,573,002.50
05.04.2013	220,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,683,002.50
15.04.2013	10,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,688,002.50
18.04.2013	75,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,725,952.50
22.04.2013	130,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	94,790,952.50

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
30.04.2013	10,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,795,952.50
02.05.2013	10,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	94,800,952.50
20.05.2013	455,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,028,452.50
23.05.2013	99,973	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,078,439.00
27.05.2013	49,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,102,939.00
29.05.2013	510,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,357,939.00
04.06.2013	340,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,527,939.00
05.06.2013	20,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,537,939.00
10.06.2013	9,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,542,439.00
11.06.2013	270,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,677,439.00
20.06.2013	80,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,717,439.00
24.06.2013	101,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,768,389.00
26.06.2013	125,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,830,889.00
28.06.2013	30,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,845,889.00
15.07.2013	210,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	95,950,889.00
16.07.2013	5,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,953,389.00
18.07.2013	50,600	0.50	Cash/ Exercise of Warrants at RM0.50 per share	95,978,689.00
19.07.2013	120,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,038,689.00
22.07.2013	260,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	96,168,689.00
25.07.2013	111,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,224,639.00

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
29.07.2013	15,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,232,139.00
30.07.2013	4,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,234,139.00
02.08.2013	20,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,244,139.00
05.08.2013	360,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	96,424,139.00
12.08.2013	50,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,449,139.00
14.08.2013	50,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,474,139.00
22.08.2013	5,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,476,639.00
28.08.2013	50,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	96,501,639.00
30.08.2013	99,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,551,589.00
03.09.2013	30,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,566,589.00
13.09.2013	120,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,626,589.00
17.09.2013	110,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,681,589.00
20.09.2013	185,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	96,774,089.00
23.09.2013	90,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	96,819,089.00
26.09.2013	462,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	97,050,089.00
01.10.2013	130,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	97,115,089.00
03.10.2013	1,218,650	0.50	Cash/ Exercise of Warrants at RM0.50 per share	97,724,414.00
07.10.2013	751,400	0.50	Cash/ Exercise of Warrants at RM0.50 per share	98,100,114.00
10.10.2013	2,143,500	0.50	Cash/ Exercise of Warrants at RM0.50 per share	99,171,864.00
11.10.2013	710,250	0.50	Cash/ Exercise of Warrants at RM0.50 per share	99,526,989.00

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
16.10.2013	1,958,800	0.50	Cash/ Exercise of Warrants at RM0.50 per share	100,506,389.00
17.10.2013	4,477,050	0.50	Cash/ Exercise of Warrants at RM0.50 per share	102,744,914.00
18.10.2013	200,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	102,844,914.00
21.10.2013	2,268,587	0.50	Cash/ Exercise of Warrants at RM0.50 per share	103,979,207.50
22.10.2013	741,900	0.50	Cash/ Exercise of Warrants at RM0.50 per share	104,350,157.50
23.10.2013	6,311,425	0.50	Cash/ Exercise of Warrants at RM0.50 per share	107,505,870.00
24.10.2013	223,000	0.50	Cash/ Exercise of Warrants at RM0.50 per share	107,617,370.00
28.10.2013	270,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	107,752,370.00
08.11.2013	200,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	107,852,370.00
18.11.2013	250,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	107,977,370.00
27.11.2013	635,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	108,294,870.00
09.12.2013	800,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	108,694,870.00
17.12.2013	235,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	108,812,370.00
23.12.2013	1,375,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	109,499,870.00
27.12.2013	550,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	109,774,870.00
02.01.2014	755,000	0.50	Cash/ Exercise of ESOS Options at RM0.52 per share	110,152,370.00

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

Substantial shareholders	I				II							
	Shareholdings as at the LPD		After the Rights Issue with Warrants		After I and assuming full exercise of the Warrants		After II and assuming full exercise of the Warrants					
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect				
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%				
Big Victory Holdings Sdn Bhd	23,587,199	10.76	-	-	23,587,199	10.27	-	-	23,587,199	9.83	-	-
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	15,743,606	7.18	5,054,400 ^{*1}	2.31	23,615,409	10.28	7,581,600 ^{*1}	3.30	31,487,212	13.12	10,108,800 ^{*1}	4.21
Lembaga Tabung Haji	12,251,828	5.59	-	-	12,251,828	5.33	-	-	12,251,828	5.10	-	-
Numina Gem Sdn Bhd	2,822,100	1.29	23,587,199 ^{*2}	10.76	2,822,100	1.23	23,587,199 ^{*2}	10.27	2,822,100	1.18	23,587,199 ^{*2}	9.83
Ho Shau Kian	-	-	23,587,199 ^{*2}	10.76	-	-	23,587,199 ^{*2}	10.27	-	-	23,587,199 ^{*2}	9.83
Datin Lai Mooi Far	5,755,375	2.62	27,669,168 ^{*3}	12.62	5,755,375	2.51	27,669,168 ^{*3}	12.05	5,755,375	2.40	27,669,168 ^{*3}	11.53
Winnie Lim Lee Chuen	-	-	27,457,468 ^{*4}	12.52	-	-	27,457,468 ^{*4}	11.96	-	-	27,457,468 ^{*4}	11.44

Notes:-

^{*1} Deemed interest by virtue of Section 6A of the Act through Unique Bay Sdn Bhd

^{*2} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd

^{*3} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd, Bright Memory Sdn Bhd, Numina Gem Sdn Bhd and her spouse

^{*4} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd, Bright Memory Sdn Bhd and Numina Gem Sdn Bhd

Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD				Assuming all the treasury shares are resold				After I and assuming full exercise of the outstanding ESOS Options granted ⁵			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
	No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares	
Big Victory Holdings Sdn Bhd	23,587,199	10.76	-	-	23,587,199	10.71	-	-	23,587,199	9.78	-	-
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	15,743,606	7.18	5,054,400 ¹	2.31	15,743,606	7.15	5,054,400 ¹	2.29	15,743,606	6.53	5,054,400 ¹	2.10
Lembaga Tabung Haji	12,251,828	5.59	-	-	12,251,828	5.56	-	-	12,251,828	5.08	-	-
Numina Gem Sdn Bhd	2,822,100	1.29	23,587,199 ²	10.76	2,822,100	1.28	23,587,199 ²	10.71	2,822,100	1.17	23,587,199 ²	9.78
Ho Shau Kian	-	-	23,587,199 ²	10.76	-	-	23,587,199 ²	10.71	-	-	23,587,199 ²	9.78
Datin Lai Mooi Far	5,755,375	2.62	27,669,168 ³	12.62	5,755,375	2.61	27,669,168 ³	12.56	5,755,375	2.39	27,669,168 ³	11.47
Winnie Lim Lee Chuen	-	-	27,457,468 ⁴	12.52	-	-	27,457,468 ⁴	12.46	-	-	27,457,468 ⁴	11.39

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Substantial shareholders	III After II and the Rights Issue with Warrants			IV After III and assuming full exercise of the Warrants		
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Big Victory Holdings Sdn Bhd	35,380,798	9.78	-	47,174,397	9.78	-
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	23,615,409	6.53	7,581,600 ^{*1}	31,487,212	6.53	10,108,800 ^{*1}
Lembaga Tabung Haji	18,377,742	5.08	-	24,503,656	5.08	-
Numina Gem Sdn Bhd	4,233,150	1.17	35,380,798 ^{*2}	5,644,200	1.17	47,174,397 ^{*2}
Ho Shau Kian	-	-	35,380,798 ^{*2}	-	-	47,174,397 ^{*2}
Datin Lai Mooi Far	8,633,062	2.39	41,503,752 ^{*3}	11,510,749	2.39	55,338,336 ^{*3}
Winnie Lim Lee Chuen	-	-	41,186,202 ^{*4}	-	-	54,914,936 ^{*4}

Notes:-

^{*1} Deemed interest by virtue of Section 6A of the Act through Unique Bay Sdn Bhd

^{*2} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd

^{*3} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd, Bright Memory Sdn Bhd, Numina Gem Sdn Bhd and her spouse

^{*4} Deemed interest by virtue of Section 6A of the Act through Big Victory Holdings Sdn Bhd, Bright Memory Sdn Bhd and Numina Gem Sdn Bhd

^{*5} Assuming none of the substantial shareholders, who are also the eligible persons under the ESOS, are granted any ESOS Options

4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	No. 8, Lorong Cenderai Off Jalan Bukit Pantai Bangsar 59100 Kuala Lumpur	68	Malaysian	Company Director	Executive Chairman
Ooi Leng Chooi	30, Jalan Margosa SD10/5K 52200 Bandar Sri Damansara Kuala Lumpur	48	Malaysian	Company Director	Executive Director
Dato' Ir. Low Keng Kok	39, Lakeview Saujana Resort Seksyen U2 40150 Shah Alam Selangor	59	Malaysian	Company Director	Non-Independent Non-Executive Director
Dato' Ismail bin Haji Omar	No. 3, Jalan 8 Kemensah Heights 68000 Hulu Kelang Selangor	75	Malaysian	Company Director	Independent Non-Executive Director
Foong Kuan Ming	No. 301, Off Jalan Tan Sri Manickavasagam 70200 Seremban Negeri Sembilan	59	Malaysian	Lawyer	Independent Non-Executive Director
Wong Chee Heng	No. 12, Jalan USJ 18/2C UEP Subang Jaya 47630 Petaling Jaya Selangor	56	Malaysian	Company Director	Independent Non-Executive Director
Zahedi bin Mohd Zain	81, Jalan Athinahapan Taman Tun Dr. Ismail 60000 Kuala Lumpur	59	Malaysian	Company Director	Independent Non-Executive Director

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The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

Directors	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
	No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares	
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	15,743,606	7.18	5,054,400 ^{*1}	2.31	23,615,409	10.28	7,581,600 ^{*1}	3.30	31,487,212	13.12	10,108,800 ^{*1}	4.21
Ooi Leng Chooi	16,900	0.01	-	-	16,900	0.01	-	-	16,900	0.01	-	-
Dato' Ir. Low Keng Kok	4,865	^{*2}	-	-	4,865	^{*2}	-	-	4,865	^{*2}	-	-
Dato' Ismail bin Haji Omar	17,269	0.01	-	-	17,269	0.01	-	-	17,269	0.01	-	-
Foong Kuan Ming	102,857	0.05	-	-	102,857	0.04	-	-	102,857	0.04	-	-
Wong Chee Heng	52,800	0.02	-	-	52,800	0.02	-	-	52,800	0.02	-	-
Zahedi bin Mohd Zain	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

^{*1} Deemed interest by virtue of Section 6A of the Act through Unique Bay Sdn Bhd

^{*2} Negligible

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Maximum Scenario

Directors	Shareholdings as at the LPD			I Assuming all the treasury shares are resold			II After I and assuming full exercise of the outstanding ESOS Options granted ³				
	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%		
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	15,743,606	5,054,400 ¹	7.18	15,743,606	5,054,400 ¹	7.15	15,743,606	5,054,400 ¹	6.53	5,054,400 ¹	2.10
Ooi Leng Chooi	16,900	-	0.01	16,900	-	0.01	16,900	-	0.01	-	-
Dato' Ir. Low Keng Kok	4,865	-	²	4,865	-	²	4,865	-	²	-	-
Dato' Ismail bin Haji Omar	17,269	-	0.01	17,269	-	0.01	17,269	-	0.01	-	-
Foong Kuan Ming	102,857	-	0.05	102,857	-	0.05	102,857	-	0.04	-	-
Wong Chee Heng	52,800	-	0.02	52,800	-	0.02	52,800	-	0.02	-	-
Zahedi bin Mohd Zain	-	-	-	-	-	-	-	-	-	-	-

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Directors	III After II and the Rights Issue with Warrants			IV After III and assuming full exercise of the Warrants		
	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	23,615,409	7,581,600 ^{*1}	6.53	31,487,212	10,108,800 ^{*1}	2.10
Ooi Leng Chooi	25,350	-	0.01	33,800	-	-
Dato' Ir. Low Keng Kok	7,297	-	. ^{*2}	9,729	-	-
Dato' Ismail bin Hajj Omar	25,903	-	0.01	34,537	-	-
Foong Kuan Ming	154,285	-	0.04	205,713	-	-
Wong Chee Heng	79,200	-	0.02	105,600	-	-
Zahedi bin Mohd Zain	-	-	-	-	-	-

Notes:-

^{*1} Deemed interest by virtue of Section 6A of the Act through Unique Bay Sdn Bhd

^{*2} Negligible

^{*3} Assuming none of the substantial shareholders, who are also the eligible persons under the ESOS, are granted any ESOS Options

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5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Subsidiary companies	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Fajarbaru Builder Sdn Bhd	06.05.1976 Malaysia	50,000,000	100	Building & civil construction
Fajarbaru Trading Sdn Bhd	30.11.1993 Malaysia	100,002	100	Trading of building materials
Fajarbaru Properties Sdn Bhd (formerly known as Temasek Perkasa Sdn Bhd)	26.03.2009 Malaysia	100,000	100	Investment holding
Potential Region Sdn Bhd	16.11.1991 Malaysia	700,000	100	Property development
Billion Variety Sdn Bhd	04.01.2007 Malaysia	800,000	51	Logging and timber trading business
Held through Fajarbaru Properties Sdn Bhd (formerly known as Temasek Perkasa Sdn Bhd)				
Renowaja Sdn Bhd	06.06.2008	1,000,000	100	Property development
Wajatex Sdn. Bhd.	07.03.1996 Malaysia	5,000,000	100	Property development
Fajarbaru Land Sdn Bhd	26.05.1995 Malaysia	2,000,000	100	Property development
Fajarbaru-Beulah (Melbourne) Pty Ltd	07.05.2014 Australia	AUD100,000	51	Property development
Held through Billion Variety Sdn Bhd				
Smooth Accomplishment Sdn Bhd	14.10.2013 Malaysia	1,000,000	51	Logging and timber trading business

As at the LPD, we do not have any associate company.

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 30 June 2013 and the latest unaudited quarterly report of our Group for the nine (9)-month FPE 31 March 2014:-

	<-----Audited----->			Unaudited Nine (9)-month FPE 31 March 2014
	<-----FYE 30 June----->			
	2011 RM'000	2012 RM'000	2013 RM'000	RM'000
Revenue	181,047	140,675	213,201	214,102
Cost of sales	(154,740)	(159,020)	(199,561)	(203,011)
Gross profit	26,307	(18,345)	13,640	11,091
Other income	3,326	3,906	2,995	1,384
Depreciation	(801)	(1,115)	(1,606)	(1,282)
Staff cost	(6,996)	(8,685)	(7,055)	(5,276)
Other operating expenses	(3,008)	(3,062)	(1,900)	(1,850)
Profit/ (loss) from operations	18,828	(27,301)	6,074	4,067
Finance cost	(116)	(962)	(381)	(316)
Profit/ (loss) before tax	18,712	(28,263)	5,693	3,751
Income tax expense	(5,008)	6,984	(1,517)	(1,261)
Profit/ (loss) for the year	13,704	(21,279)	4,176	2,490
Other comprehensive income				
Net gain on available-for-sale financial assets	-	-	2,343	394
Total comprehensive income for the financial year	13,704	(21,279)	6,519	2,884
Profit attributable to:				
Owners of the Company	13,604	(21,279)	4,176	2,493
Non-controlling interest	100	-	-	(3)
Net profit/ (loss) for the year	13,704	(21,279)	4,176	2,490
Weighted average number of shares in issue ('000)	166,019	175,185	188,252	207,402
Earnings/ (losses) before interest, taxation, depreciation and amortisation (RM'000)	19,629	(26,186)	7,680	5,349
Gross profit / (Loss) margin (%)	14.53	(13.04)	6.40	5.18
Profit/ (loss) margin (%)	7.51	(15.13)	1.96	1.16
Earnings/ (losses) per Share (sen)				
- Basic	8.19	(12.15)	2.22	1.20
- Diluted	7.54	(11.42)	2.14	1.20
Dividends paid (per Share) (RM)	0.06	-	-	-

Commentary on past performance:-

FYE 30 June 2011

For the FYE 30 June 2011, our Group recorded revenue of RM181.05 million, representing an increase of RM15.10 million or approximately 9.10% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to higher level of construction activities during the financial year under review.

The gross profit margin for the financial year under review was 14.53%, representing an decrease of 7.46% from the gross profit margin for the FYE 30 June 2010 of 21.99%. The decrease in gross profit margin was attributable to competitive pricing to secure new projects during the financial year under review. Further, progress billing for two (2) projects with higher gross profit margin were completed during the previous financial year.

The administrative expenses had increased by RM2.51 million to RM10.81 million as compared to the previous financial year, which was mainly due to increase in staff cost and cost of tendering for new projects. Meanwhile, the staff cost had increased by RM1.19 million to RM7.00 million as compared to the previous financial year, which was mainly due to recruitment of new staffs in line with higher tendering activities during the financial year under review.

Despite the increase in revenue, our Group recorded a PBT of RM18.71 million for the FYE 30 June 2011, representing a decrease of RM14.33 million or approximately 43.37% as compared to the PBT for the previous financial year. The decrease in PBT was mainly attributable to lower gross profit margin as a result of competition which offset higher revenue recorded during the financial year under review.

FYE 30 June 2012

For the FYE 30 June 2012, our Group recorded revenue of RM140.68 million, representing a decrease of RM40.37 million or approximately 22.30% as compared to the revenue for the previous financial year. The decrease in revenue was mainly attributable to the deferment in site possession (handover of the construction site to our Company by the project owner) and handover of full work areas (certain section of a construction site where our Company is responsible for) by the project owner for several projects as well as slower progress at site for several new construction projects undertaken by our Group as those new projects were at the initial stage of the construction work which includes site clearance, setting up the site office, appointment of sub-contractors and application for utilities.

Our Group recorded a gross loss margin of 13.04% for the FYE 30 June 2012 compared to a gross profit margin of 14.53% in the previous financial year mainly attributable to the recognition of cost of approximately RM24.80 million for variation orders for the projects undertaken by our Group. The recovery of such cost was pending clients' approval during the financial year under review.

The administrative expenses had increased by RM2.06 million to RM12.86 million as compared to the previous financial year, which was mainly due to increase in staff cost. Meanwhile, the staff cost had increased by RM1.69 million to RM8.69 million as compared to the previous financial year, which was mainly due to payment of gratuity to a retired director as well as increase in staff recruited for newly awarded projects in years 2011 and 2012.

Our Group recorded a LBT of RM28.26 million for the FYE 30 June 2012, as compared to the PBT of RM18.71 million for the previous financial year. The LBT was mainly due to increase in cost of sales as a result of recognition of cost for variation orders during the financial year under review.

FYE 30 June 2013

For the FYE 30 June 2013, our Group recorded revenue of RM213.20 million, representing an increase of RM72.53 million or approximately 51.56% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to the increase in construction activities of the on-going projects and our Group has commenced its business of trading of construction material which contributed RM28.45 million in revenue during the FYE 30 June 2013.

Our Group recorded a gross profit margin 6.40% for the FYE 30 June 2013 compared to a gross loss margin of 13.04% in the previous financial year which was mainly attributable to recognition of cost for variation orders. For information purposes, the recovery of the cost for variation orders in the previous financial year was still pending for clients' as at 30 June 2013. Generally, the gross profit margin was lower due to competitive pricing to secure projects.

The administrative expenses had decreased by RM2.30 million to RM10.56 million as compared to the previous financial year, which was mainly due to decrease in staff cost and tendering cost. Meanwhile, the staff cost had decreased by RM1.63 million to RM7.06 million as compared to the previous financial year, which was mainly due to retirement of an executive director.

Our Group recorded a PBT of RM5.69 million for the FYE 30 June 2013 as compared to a LBT of RM28.26 million for the FYE 30 June 2012 mainly attributable increase in revenue during the financial year under review.

Unaudited nine (9)-month FPE 31 March 2014

For the nine (9)-month FPE 31 March 2014, our Group recorded revenue of RM214.10 million representing an increase of RM75.33 million or 54.28% as compared to the corresponding period in the previous financial year. The increase in revenue was due to higher level of construction activities during the financial period under review.

Gross profit margin for the nine (9)-month FPE 31 March 2014 was 5.18%, representing a decrease of 2.49% as compared to the corresponding period in the previous financial year of 7.67%. The decrease in gross profit margin was mainly attributable to two (2) projects with higher gross profit margin were at the completion stage, and hence lower contribution towards the revenue during the financial period under review.

The administrative expenses had decreased by RM1.02 million to RM8.41 million as compared to corresponding period in the previous financial year, which was mainly due to recognition of cost of approximately RM0.60 million relating to allocation of ESOS Options to the eligible employees during the corresponding period in the previous financial year. Meanwhile, the staff cost had decreased by RM0.84 million to RM5.28 million as compared to corresponding period in the previous financial year, which was mainly due to the re-classification of performance bonuses paid to project-related staff from staff cost to project expenses during the financial period under review.

Our Group recorded a PBT of RM3.75 million for the nine (9)-month FPE 31 March 2014, representing an increase of RM0.30 million or 8.69% as compared to a PBT of RM3.45 million for the corresponding period in the previous financial year. The increase in PBT was mainly attributable to higher revenue recorded and lower administrative expenses incurred during current financial period under review.

For information purposes, subsequent to the nine (9)-month FPE 31 March 2014, a total of approximately RM17.40 million out of RM24.80 million of the cost recognised for variation orders in the FYE 30 June 2012 has been approved by our clients as at the LPD.

7. HISTORICAL PRICES

The monthly high and low transacted market prices of Fajarbaru Shares for the past 12 months from August 2013 to July 2014 are as follows:-

	High RM	Low RM
2013		
August	0.68	0.58
September	0.66	0.61
October	0.66	0.61
November	0.65	0.60
December	0.62	0.57
2014		
January	0.60	0.57
February	0.60	0.57
March	0.59	0.56
April	0.67	0.58
May	0.61	0.58
June	0.59	0.57
July	0.65	0.57

The last transacted price of Fajarbaru Shares on 25 February 2014, being the day prior to the date of announcement on the Corporate Exercises, was RM0.60.

The last transacted price of Fajarbaru Shares on 1 August 2014, being the LPD, was RM0.65.

The last transacted price of Fajarbaru Shares on 27 August 2014, being the day prior to the ex-date of the Rights Issue with Warrants, was RM0.64.

(Source: Bloomberg LP)

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REPORT BY MESSRS CROWE HORWATH ON THE COMPILATION OF PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2013



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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18 August 2014

The Board of Directors
Fajarbaru Builder Group Bhd.
No. 61 & 63,
Jalan SS6/12, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.

Dear Sirs/Madam,

**FAJARBARU BUILDER GROUP BHD. ("FAJARBARU" OR "THE COMPANY")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Fajarbaru and its subsidiaries (collectively defined as "the Group") as at 30 June 2013 and the related notes (as set out in Appendix A which we have stamped for the purpose of identification) prepared by the Board of Directors for inclusion in the Abridged Prospectus to be issued in connection with the renounceable rights issue of up to 120,566,620 new ordinary shares of RM0.50 each in Fajarbaru ("Fajarbaru Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares held together with up to 120,566,620 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, as at 5.00 p.m. on Tuesday, 2 September 2014 ("Entitlement Date") at an issue price of RM0.50 per Rights Share ("Rights Issue with Warrants").

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in Note 1 of Appendix A.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors to illustrate the financial effect of the event or transaction set out in Appendix A of this letter on the Group's financial position as at 30 June 2013.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the Company's financial statements for the financial year ended 30 June 2013, on which an audit report has been published.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors of Fajarbaru is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as set out in Note 1 of Appendix A.



Our Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of Appendix A.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in Note 1 of Appendix A.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2013 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in Note 1 of Appendix A involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related Pro Forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion:

- (i) the Pro Forma Consolidated Statements of Financial Position, which have been compiled by the Board of Directors, have been properly compiled on the basis set out in Note 1 of Appendix A using financial statements prepared in accordance with Malaysia Financial Reporting Standards and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group unless otherwise stated; and
- (ii) the adjustments made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

Other Matters

We understand that this letter will be used solely for the purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to be "C. Horwath", written over a faint horizontal line.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

FAJARBARU BUILDER GROUP BHD.
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013
Minimum Scenario

	Note	Audited as at 30.6.2013 RM'000	Adjustment for Subsequent Events RM'000	Adjustment for Rights Issue with Warrants RM'000	Pro Forma I After Adjustment I and Rights Issue with Warrants RM'000	Adjustment for Full Exercise of New Warrants RM'000	Pro Forma II After Pro Forma I and Full Exercise of New Warrants RM'000
ASSETS							
NON-CURRENT ASSET		12,883			12,883		12,883
Property, plant and equipment		-	7		7		7
Goodwill on consolidation	2.1	803			803		803
Investment properties		43,278			43,278		43,278
Land held for property development		10,250			10,250		10,250
Investment securities		208			208		208
Intangible assets		1,709			1,709		1,709
Trade receivables							
		69,131			69,138		69,138
CURRENT ASSETS							
Property development costs		82,726			82,726		82,726
Trade and other receivables	2.1	104,661	862		105,523		105,523
Other current assets		666			666		666
Tax recoverable		2,301			2,301		2,301
Cash and bank balances	4	35,543	14,022	4,650	54,215	7,280	61,495
		225,897			240,781		252,711
		295,028			309,919		321,849
TOTAL ASSETS							
EQUITY AND LIABILITIES							
Share capital	5	95,846	14,306		110,152		120,552
Share premium	6	3,783	425		4,208		6,466
Treasury shares	7	(1,127)	(3)	(550)	(1,130)		(1,130)
Warrant reserve	8	1,175	(1,175)	728	-	(728)	-
Other reserve	9	(64)	1,175		1,111		1,111
Fair value reserve		2,343			2,343		2,343
Employee share option reserve	10	359	(359)		-		-
Retained profits	11	41,728	61	(728)	41,789		41,061
		144,043	387		163,123		170,403
Equity attributable to the owners of the parents					387		387
Non-controlling interests	2.1						
		144,043			163,510		170,790
TOTAL EQUITY							

Initiated For Identification Purposes Only



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AF 1018

FAJARBARU BUILDER GROUP BHD.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

Minimum Scenario (Cont'd)

	Note	Audited as at 30.6.2013 RM'000	Adjustment for Subsequent Events RM'000	Adjustment I After Subsequent Events RM'000	Adjustment for Rights Issue with Warrants RM'000	Pro Forma I After Adjustment I and Rights Issue with Warrants RM'000	Adjustment for Full Exercise of New Warrants RM'000	Pro Forma II After Pro Forma I and Full Exercise of New Warrants RM'000
LIABILITIES								
NON-CURRENT LIABILITIES								
Trade payables		6,400		6,400		6,400		6,400
Deferred tax liabilities		2,061		2,061		2,061		2,061
Loans and borrowings		42,898		42,898		42,898		42,898
		51,359		51,359		51,359		51,359
CURRENT LIABILITIES								
Trade and other payables	2.1	83,826	74	83,900		83,900		83,900
Other current liabilities		10,000		10,000		10,000		10,000
Tax payable		38		38		38		38
Loans and borrowings		5,762		5,762		5,762		5,762
		99,626		99,700		99,700		99,700
TOTAL LIABILITIES		150,985		151,059		151,059		151,059
TOTAL EQUITY AND LIABILITIES								
		295,028		309,919		314,569		321,849
Number of FBG Shares ('000)		190,649 [#]		219,257*		229,656*		240,055*
Net assets per share (RM)		0.76		0.72		0.71		0.71
Total borrowings (RM'000)		48,660		48,660		48,660		48,660
Gearing (times)		0.34		0.31		0.30		0.29

Note:-

[#] - excludes 1,043,064 treasury shares.

* - excludes 1,048,164 treasury shares.

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FAJARBARU BUILDER GROUP BHD.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

Maximum Scenario

	Note	Audited as at 30.6.2013 RM'000	Adjustment for Subsequent Events RM'000	Adjustment I After Subsequent Events RM'000	Adjustment for Sales of Treasury Shares RM'000	Pro Forma I After Adjustment I and Sales of Treasury Shares RM'000	Adjustment for Full Exercise of New ESOS Options Granted RM'000	Pro Forma II After Pro Forma I and Full Exercise of New ESOS Options Granted RM'000	Adjustment for Rights Issue with Warrants RM'000	Pro Forma III After Pro Forma II and Rights Issue with Warrants RM'000	Adjustment for Full Exercise of New Warrants RM'000	Pro Forma IV After Pro Forma III and Full Exercise of New Warrants RM'000
ASSETS												
NON-CURRENT ASSET												
Property, plant and equipment		12,883	7	12,883		12,883		12,883		12,883		12,883
Goodwill on consolidation	3.1	-		7		7		7		7		7
Investment properties		803		803		803		803		803		803
Land held for property development		43,278		43,278		43,278		43,278		43,278		43,278
Investment securities		10,250		10,250		10,250		10,250		10,250		10,250
Intangible assets		208		208		208		208		208		208
Trade receivables		1,709		1,709		1,709		1,709		1,709		1,709
		69,131		69,138		69,138		69,138		69,138		69,138
CURRENT ASSETS												
Property development costs		82,726		82,726		82,726		82,726		82,726		82,726
Trade and other receivables	3.1	104,661	862	105,523		105,523		105,523		105,523		105,523
Other current assets		666		666		666		666		666		666
Tax recoverable		2,301		2,301		2,301		2,301		2,301		2,301
Cash and bank balances	4	35,543	14,022	49,565	1,130	50,695	11,873	62,568	59,733	122,301	84,396	206,697
		225,897		240,781		241,911		253,784		313,517		397,913
		295,028		309,919		311,049		322,922		382,655		467,051
TOTAL ASSETS												
EQUITY AND LIABILITIES												
Share capital	5	95,846		95,846		95,846		95,846		95,846		95,846
Share premium	6	3,783		3,783		3,783		3,783		3,783		3,783
Treasury shares	7	(1,127)		(1,127)		(1,127)		(1,127)		(1,127)		(1,127)
Warrant reserve	8	1,175	(1,175)	-	1,130	-		-		-		-
Other reserve	9	(64)	1,175	1,111		1,111		1,111		1,111		1,111
Fair value reserve		2,343		2,343		2,343		2,343		2,343		2,343
Employee share option reserve	10	359	(359)	-		-		-		-		-
Retained profits	11	41,728	61	41,789		41,789		38,248	(8,440)	29,808		29,808
Equity attributable to the owners of the parents		144,043		158,473		159,603		171,476		231,209		315,605
Non-controlling interests	3.1	-	387	387		387		387		387		387
		144,043		158,860		159,990		171,863		231,596		315,992
TOTAL EQUITY												

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

Maximum Scenario (Cont'd)

	Note	Audited as at 30.6.2013 RM'000	Adjustment for Subsequent Events RM'000	Adjustment I After Subsequent Events RM'000	Adjustment for Sales of Treasury Shares RM'000	Pro Forma I After Adjustment I and Sales of Treasury Shares RM'000	Adjustment for Full Exercise of New ESOS Options Granted RM'000	Pro Forma II After Pro Forma I and Full Exercise of New ESOS Options Granted RM'000	Adjustment for Rights Issue with Warrants RM'000	Pro Forma III After Pro Forma II and Rights Issue with Warrants RM'000	Adjustment for Full Exercise of New Warrants RM'000	Pro Forma IV After Pro Forma III and Full Exercise of New Warrants RM'000
LIABILITIES												
NON-CURRENT LIABILITIES												
Trade payables		6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Deferred tax liabilities		2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061
Loans and borrowings		42,898	42,898	42,898	42,898	42,898	42,898	42,898	42,898	42,898	42,898	42,898
		51,359	51,359	51,359	51,359	51,359	51,359	51,359	51,359	51,359	51,359	51,359
CURRENT LIABILITIES												
Trade and other payables	3.1	83,826	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900
Other current liabilities		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Tax payable		38	38	38	38	38	38	38	38	38	38	38
Loans and borrowings		5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762
		99,626	99,700	99,700	99,700	99,700	99,700	99,700	99,700	99,700	99,700	99,700
TOTAL LIABILITIES		150,985	151,059	151,059	151,059	151,059	151,059	151,059	151,059	151,059	151,059	151,059
TOTAL EQUITY AND LIABILITIES		295,028	309,919	309,919	311,049	311,049	322,922	322,922	382,655	382,655	467,051	467,051
Number of FBG Shares ('000)		190,640*	219,257*	219,257*	220,305	220,305	241,133	241,133	361,700	361,700	482,266	482,266
Net assets per share (RM)		0.76	0.72	0.72	0.72	0.71	0.64	0.64	0.64	0.64	0.65	0.65
Total borrowings (RM'000)		48,660	48,660	48,660	48,660	48,660	48,660	48,660	48,660	48,660	48,660	48,660
Gearing (times)		0.34	0.31	0.31	0.30	0.28	0.21	0.21	0.21	0.21	0.15	0.15

Note:-

* - excludes 1,043,064 treasury shares.

* - excludes 1,048,164 treasury shares.

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FAJARBARU BUILDER GROUP BHD.**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013****1. Basis of Preparation**

The Pro Forma Consolidated Statements of Financial Position of Fajarbaru Builder Group Bhd. ("Fajarbaru" or "the Company") and its subsidiaries ("Fajarbaru Group" or "the Group"), for which the Board of Directors of Fajarbaru are solely responsible, have been prepared based on the audited consolidated statements of financial position of Fajarbaru as at 30 June 2013. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purpose, to show the effects on the renounceable rights issue of up to 120,566,620 new ordinary shares of RM0.50 each in Fajarbaru ("Fajarbaru Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every two (2) existing Fajarbaru Shares Held Together with up to 120,566,620 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every one (1) Rights Share subscribed for as at 5.00 p.m. on Tuesday, 2 September 2014 ("Entitlement Date") at an issue price of RM0.50 per Rights Share ("Rights Issue with Warrants").

The consolidated financial statements used in the preparation of the Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with Malaysia Financial Reporting Standards and the auditors' report on the said consolidated financial statements was not qualified.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those adopted by Fajarbaru in the preparation of its audited consolidated financial statements.

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FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

1. Basis of Preparation (Cont'd)

For illustrative purpose, the Pro Forma Consolidated Statements of Financial Position of the Group have been prepared assuming the completion of the Rights Issue with Warrants based on the following:-

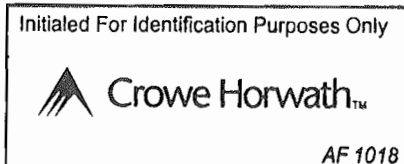
Minimum Scenario: Assuming all the 1,048,164 treasury shares are retained by the Company and none of the outstanding 20,828,501 Employees' Share Option Scheme Options ("ESOS Options") are granted and exercised prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on a minimum subscription level basis.

Maximum Scenario: Assuming all the 1,048,164 treasury shares have been resold in the open market at the respective acquisition prices and all the outstanding 20,828,501 ESOS Options are granted and/or fully exercised into new Fajarbaru shares prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on a full subscription level basis.

The Rights Issue with Warrants would entail the issuance of 10,399,003 Rights Shares and Warrants under Minimum Scenario and up to 120,566,620 Rights Shares and Warrants under Maximum Scenario.

The issue price of RM0.50 per Rights Share represents a discount of approximately 14.46% to the theoretical ex-rights price of Fajarbaru Shares of RM0.5845 ("TERP"), calculated based on the five (5)-day weighted average market price of Fajarbaru Shares as traded on Bursa Malaysia Securities Berhad up to and including 11 August 2014 of RM0.6268 per Fajarbaru Share.

The exercise price of RM0.70 per Warrant represents a premium of approximately 19.76% to the TERP of Fajarbaru Share.



FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

2. Minimum Scenario

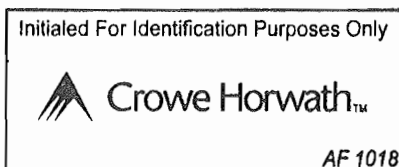
2.1 Adjustment I

Adjustment I incorporates the effects of the following:-

- (i) the adjustment for 5,000 Fajarbaru Shares bought-back by the Company at approximately RM3,200 on 29 October 2013;
- (ii) the adjustment for 22,242,962 Warrants 2008/2013 exercised at an exercise price of RM0.50 per Warrant subsequent to the financial year ended 30 June 2013 and up to the expiry of the Warrants 2008/2013 on 20 October 2013;
- (iii) the adjustment for 1,250,360 Warrants 2008/2013 reversed from warrants reserve to other reserve upon expiry of the Warrants 2008/2013 on 20 October 2013;
- (iv) the adjustment for 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the financial year ended 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013;
- (v) the adjustment for 1,310,000 ESOS Options which lapsed subsequent to the FYE 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013 amounting to RM61,236 which was reversed from the employee share option reserve to retained profits;
- (vi) the adjustment for the acquisition of 51% equity interests in Billion Variety Sdn. Bhd. ("BVSB"), a company incorporated in Malaysia for a total cash consideration of RM408,000 on 18 February 2014. The principal business activities of BVSB are logging and timber trading.

The fair values of the identifiable assets and liabilities of BVSB at the date of acquisition were as follows:-

	At Date Of Acquisition		
	Carrying Amount RM'000	Fair value Adjustment RM'000	Fair Value Recognised RM'000
Other receivables	862	-	862
Other payables and accruals	(72)	-	(72)
Net identifiable assets	790	-	790
Less: Non-controlling interests			(387)
Add: Goodwill on acquisition			5
Total purchase consideration			408



FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

2. Minimum Scenario (Cont'd)

2.1 Adjustment I (Cont'd)

Adjustment I incorporates the effects of the following (cont'd):-

- (vii) the adjustment for the acquisition of 100% equity interests in Smooth Accomplishment Sdn. Bhd. ("SASB"), a company incorporated in Malaysia, by BVSB for a total cash consideration of RM1,000,000 on 14 April 2014. The principal business activities of SASB are logging and timber trading.

The fair values of the identifiable assets and liabilities of SASB at the date of acquisition were as follows:-

	At Date Of Acquisition		
	Carrying Amount RM'000	Fair value Adjustment RM'000	Fair Value Recognised RM'000
Bank balances	1,000	-	1,000
Other payables and accruals	(2)	-	(2)
Net identifiable assets	998	-	998
Add: Goodwill on acquisition			2
Total purchase consideration			1,000
Less: Bank balances of SASB			(1,000)
Net cash outflow for acquisition of SASB			-

- (viii) the adjustment for 100 Fajarbaru Shares bought-back by the Company at approximately RM88 on 2 May 2013.

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FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

2. Minimum Scenario (Cont'd)

2.2 Pro Forma I

Pro Forma I incorporates the effects of Adjustment I and the effects of the Rights Issue with Warrants under the Minimum Scenario whereby 10,399,003 Rights Shares with 10,399,003 Warrants are subscribed at an issue price of RM0.50 per Rights Share under the Rights Issue with Warrants and payment of estimated expenses of RM550,000 in relation to the Rights Issue with Warrants.

The net proceeds from the Rights Issue with Warrants of RM4.650 million (after deducting the estimated expenses of RM550,000 for the Rights Issue with Warrants) are to be utilised for working capital purpose by making payment to sub-contractors and suppliers for purchase of materials. They are deemed for the present purpose to be cash and bank balances under current assets when received.

Fair Value of Warrants

The fair value of Warrants is estimated using the Black-Scholes model based on the following input or key assumptions:-

(a)	Indicative exercise price	RM0.70
(b)	Risk free interest rate	3.68%
(c)	Dividend yield	0%
(d)	Volatility of Fajarbaru's share price	13.26%
(e)	Tenure of the Warrants	Five (5) years from the date of issuance of Warrants

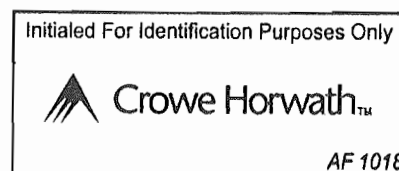
The following basis are used in respect of the key assumptions:-

- The risk free interest rate is based on the prevailing Malaysian Government Securities of similar tenure as at 12 August 2014;
- The expected share price volatility was based on the 12 months historical volatility of Fajarbaru from 13 August 2013 up to 12 August 2014; and
- The expected dividend yield is based on the historical dividend yield of Fajarbaru.

The fair value of Warrants is estimated to be approximately RM0.07 each.

2.3 Pro Forma II

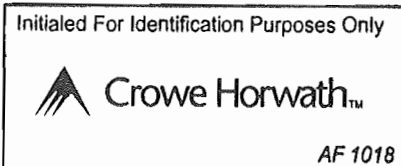
Pro Forma II incorporates the effects of Pro Forma I and assuming the full exercise of all the 10,399,003 new Warrants issued under the Rights Issue with Warrants at an exercise price of RM0.70 per Warrant.



FAJARBARU BUILDER GROUP BHD.**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013****3. Maximum Scenario****3.1 Adjustment I**

Adjustment I incorporates the effects of the following:-

- (i) the adjustment for 5,000 Fajarbaru Shares bought-back by the Company at approximately RM3,200 on 29 October 2013;
- (ii) the adjustment for 22,242,962 Warrants 2008/2013 exercised at an exercise price of RM0.50 per Warrant subsequent to the financial year ended 30 June 2013 and up to the expiry of the Warrants 2008/2013 on 20 October 2013;
- (iii) the adjustment for 1,250,360 Warrants 2008/2013 reversed from warrants reserve to other reserve upon expiry of the Warrants 2008/2013 on 20 October 2013;
- (iv) the adjustment for 6,370,000 ESOS Options exercised at an exercise price of RM0.52 per Fajarbaru Share subsequent to the financial year ended 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013;
- (v) the adjustment for 1,310,000 ESOS Options which lapsed subsequent to the FYE 30 June 2013 and up to the expiry of the ESOS Options on 31 December 2013 amounting to RM61,236 which was reversed from employee share option reserve to retained profits;
- (vi) the adjustment for the acquisition of BVSB and SASB. The effects of the acquisition are disclosed in Note 2.1; and
- (vii) the adjustment for 100 Fajarbaru Shares bought-back by the Company at approximately RM88 on 2 May 2013.



FAJARBARU BUILDER GROUP BHD.**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013****3. Maximum Scenario (Cont'd)****3.2 Pro Forma I**

Pro Forma I incorporates the effects of Adjustment I and assume the resale of all 1,048,064 existing treasury shares in the open market with no gain or loss.

3.3 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and assumes the granting of 20,828,501 new ESOS Options to eligible employees. These ESOS Options are assumed to be exercised in full at the exercise price of RM0.57 per Fajarbaru Share.

Fair Value of ESOS Options

The fair value of ESOS Options is estimated using the Black-Scholes model based on the following input or key assumptions:-

(a)	Indicative exercise price	RM0.57
(b)	Weighted average share price	RM0.63
(c)	Risk free interest rate	3.68%
(d)	Dividend yield	0%
(e)	Expected volatility of Fajarbaru's share price	13.26%
(f)	Expected life of the ESOS Options	Five (5) years from the date of issuance of ESOS Options

The following basis are used in respect of the key assumptions:-

- (a) The risk free interest rate is based on the prevailing Malaysian Government Securities of similar tenure as at 12 August 2014;
- (b) The expected share price volatility was based on the 12 months historical volatility of Fajarbaru from 13 August 2013 up to 12 August 2014; and
- (d) The expected dividend yield is based on the historical dividend yield of Fajarbaru.

The fair value of ESOS Options is estimated to be approximately RM0.17 each.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

3. Maximum Scenario (Cont'd)

3.4 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the effects of the Rights Issue with Warrants whereby 120,566,120 Rights Shares with 120,566,120 Warrants are subscribed at an issue price of RM0.50 per Rights Share under the Rights Issue with Warrants and payment of estimated expenses of RM550,000 in relation to the Rights Issue with Warrants.

The net proceeds from the Rights Issue with Warrants of RM59.733 million (after deducting the estimated expenses for the Rights Issue with Warrants of RM550,000) are expected to be utilised in the following manner:-

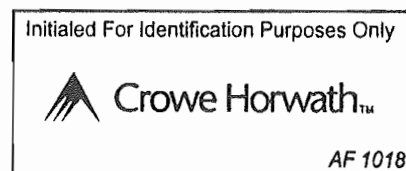
Utilisation	RM'million
To be utilised as follows:-	
Investment in logging and timber trading business	29.867
Payment to sub-contractors and suppliers for purchase of materials	29.866
	59.733

They are deemed for the present purpose to be cash and bank balances under current assets when received.

The fair value of the Warrants is estimated using the Black-Scholes Model based on the same input or key assumptions used in Note 2.2.

3.5 Pro Forma IV

Pro Forma IV incorporates the effects of Pro Forma III and assumes the full exercise of all 120,566,120 new Warrants issued under the Rights Issue with Warrants at an exercise price of RM0.70 per Warrant.



FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

4. Cash and Bank Balances

The movements in the cash and bank balances of Fajarbaru are as follows:-

4.1 Minimum Scenario

	RM'000
As at 30 June 2013	35,543
Adjustments for Adjustment I	
- shares bought-back	(3)
- exercise of Warrants	11,121
- exercise of ESOS Options	3,312
- cash consideration paid for acquisition of BVSB	(408)
	49,565
Per Adjustment I	49,565
Adjustments for Pro Forma I	
- arising from Rights Issue with Warrants	5,200
- estimated expenses relating to the Rights Issue with Warrants	(550)
	54,215
Per Pro Forma I	54,215
Adjustment for Pro Forma II	
- arising upon full exercise of new Warrants	7,280
	61,495
Per Pro Forma II	61,495

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

4. Cash and Bank Balances (Cont'd)

The movements in the cash and bank balances of Fajarbaru are as follows (cont'd):-

4.2 Maximum Scenario

	RM'000
As at 30 June 2013	35,543
Adjustments for Adjustment I	
- shares bought-back	(3)
- exercise of Warrants	11,121
- exercise of ESOS Options	3,312
- cash consideration paid for acquisition of BVSB	(408)
Per Adjustment I	49,565
Adjustment for Pro Forma I	
- arising upon resale of existing treasury shares	1,130
Per Pro Forma I	50,695
Adjustment for Pro Forma II	
- arising upon full exercise of new ESOS Options	11,873
Per Pro Forma II	62,568
Adjustments for Pro Forma III	
- arising from Rights Issue with Warrants	60,283
- estimated expenses relating to the Rights Issue with Warrants	(550)
Per Pro Forma III	122,301
Adjustment for Pro Forma IV	
- arising upon full exercise of new Warrants	84,396
Per Pro Forma IV	206,697

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

5. Share Capital

The movements in the issued and paid-up share capital of RM0.50 each of Fajarbaru are as follows:-

5.1 Minimum Scenario

	Number of Ordinary Shares '000	RM'000
As at 30 June 2013	191,692	95,846
Adjustments for Adjustment I		
- exercise of Warrants	22,243	11,121
- exercise of ESOS Options	6,370	3,185
Per Adjustment I	220,305	110,152
Adjustment for Pro Forma I		
- arising from Rights Issue with Warrants	10,399	5,200
Per Pro Forma I	230,704	115,352
Adjustment for Pro Forma II		
- arising upon full exercise of new Warrants	10,399	5,200
Per Pro Forma II	241,103	120,552

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

5. Share Capital (Cont'd)

The movements in the issued and paid-up share capital of RM0.50 each of Fajarbaru are as follows (cont'd):-

5.2 Maximum Scenario

	Number of Ordinary Shares '000	RM'000
As at 30 June 2013	191,692	95,846
Adjustments for Adjustment I		
- exercise of Warrants	22,243	11,121
- exercise of ESOS Options	6,370	3,185
Per Adjustment I and Pro Forma I	220,305	110,152
Adjustment for Pro Forma II		
- arising upon full exercise of new ESOS Options	20,829	10,415
Per Pro Forma II	241,134	120,567
Adjustment for Pro Forma III		
- arising from Rights Issue with Warrants	120,566	60,283
Per Pro Forma III	361,700	180,850
Adjustment for Pro Forma IV		
- arising upon full exercise of new Warrants	120,566	60,283
Per Pro Forma IV	482,266	241,133

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

6. Share Premium

The movements in the share premium of Fajarbaru are as follows:-

6.1 Minimum Scenario

	RM'000
As at 30 June 2013	3,783
Adjustments for Adjustment I	
- exercise of ESOS Options	425
Per Adjustment I	4,208
Adjustment for Pro Forma I	
- estimated expenses relating to the Rights Issue with Warrants	(550)
Per Pro Forma I	3,658
Adjustment for Pro Forma II	
- arising upon full exercise of new Warrants	2,808
Per Pro Forma II	6,466

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

6. Share Premium (Cont'd)

The movements in the share premium of Fajarbaru are as follows (cont'd):-

6.2 Maximum Scenario

	RM'000
As at 30 June 2013	3,783
Adjustments for Adjustment I	
- exercise of ESOS Options	425
Per Adjustment I and Pro Forma I	4,208
Adjustment for Pro Forma II	
- arising upon full exercise of new ESOS Options	4,999
Per Pro Forma II	9,207
Adjustment for Pro Forma III	
- estimated expenses relating to the Rights Issue with Warrants	(550)
Per Pro Forma III	8,657
Adjustment for Pro Forma IV	
- arising upon full exercise of new Warrants	32,553
Per Pro Forma IV	41,210

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FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

7. Treasury Shares

The movements in the treasury shares of Fajarbaru are as follows:-

7.1 Minimum Scenario

	Number of Treasury Shares '000	RM'000
As at 30 June 2013	1,043	1,127
Adjustment for Adjustment I - shares bought-back	5	3
Per Adjustment I, Pro Forma I, II and III	1,048	1,130

7.2 Maximum Scenario

	Number of Treasury Shares '000	RM'000
As at 30 June 2013	1,043	1,127
Adjustment for Adjustment I - shares bought-back	5	3
Per Adjustment I	1,048	1,130
Adjustment for Pro Forma I - arising upon resale of existing treasury shares	(1,048)	(1,130)
Per Pro Forma I, II, III and IV	-	-

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

8. Warrant Reserve

The movements in the warrant reserve of Fajarbaru are as follows:-

8.1 Minimum Scenario

	RM'000
As at 30 June 2013	1,175
Adjustments for Adjustment I	
- exercise of Warrants	(1,111)
- Warrants expired	(64)
	<hr/>
Per Adjustment I	-
Adjustment for Pro Forma I	
- fair value of new Warrants	728
	<hr/>
Per Pro Forma I	728
Adjustment for Pro Forma II	
- arising upon full exercise of new Warrants	(728)
	<hr/>
Per Pro Forma II	<hr/> <hr/> -

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

8. Warrant Reserve (Cont'd)

The movements in the warrant reserve of Fajarbaru are as follows (cont'd):-

8.2 Maximum Scenario

	RM'000
As at 30 June 2013	1,175
Adjustments for Adjustment I	
- exercise of Warrants	(1,111)
- Warrants expired	(64)
	<hr/>
Per Adjustment I, Pro Forma I and II	-
Adjustment for Pro Forma III	
- fair value of new Warrants	8,440
	<hr/>
Per Pro Forma III	8,440
Adjustment for Pro Forma IV	
- arising upon full exercise of new Warrants	(8,440)
	<hr/>
Per Pro Forma IV	-
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FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

9. Other Reserve

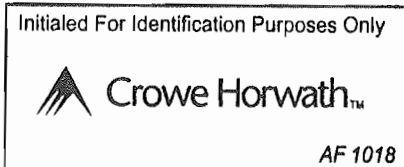
The movements in the other reserve of Fajarbaru are as follows:-

9.1 Minimum Scenario

	RM'000
As at 30 June 2013	(64)
Adjustments for Adjustment I	
- exercise of Warrants	1,111
- Warrants expired	64
	<hr/>
Per Adjustment I, Pro Forma I and II	1,111
	<hr/>

9.2 Maximum Scenario

	RM'000
As at 30 June 2013	(64)
Adjustments for Adjustment I	
- exercise of Warrants	1,111
- Warrants expired	64
	<hr/>
Per Adjustment I, Pro Forma I, II, III and IV	1,111
	<hr/>



FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

10. Employees Share Option Reserve

The movements in the employees share option reserve of Fajarbaru are as follows:-

10.1 Minimum Scenario

	RM'000
As at 30 June 2013	359
Adjustments for Adjustment I	
- exercise of ESOS Options	(298)
- ESOS Options lapsed	(61)
	<hr/>
Per Adjustment I, Pro Forma I and II	-
	<hr/>

10.2 Maximum Scenario

	RM'000
As at 30 June 2013	359
Adjustments for Adjustment I	
- exercise of ESOS Options	(298)
- ESOS Options lapsed	(61)
	<hr/>
Per Adjustment I, Pro Forma I	-
Adjustment for Pro Forma II	
- fair value of new ESOS Options	3,541
- exercise of new ESOS Options	(3,541)
	<hr/>
Per Pro Forma II, III and IV	-
	<hr/>

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FAJARBARU BUILDER GROUP BHD.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

11. Retained Profits

The movements in the retained profits of Fajarbaru are as follows:-

11.1 Minimum Scenario

	RM'000
As at 30 June 2013	41,728
Adjustment for Adjustment I - ESOS Options lapsed	61
Per Adjustment I	41,789
Adjustment for Pro Forma I - fair value of new Warrants	(728)
Per Pro Forma I and II	41,061

11.2 Maximum Scenario

	RM'000
As at 30 June 2013	41,728
Adjustment for Adjustment I - ESOS Options lapsed	61
Per Adjustment I and Pro Forma I	41,789
Adjustment for Pro Forma II - fair value of new ESOS Options	(3,541)
Per Pro Forma II	38,248
Adjustment for Pro Forma III - fair value of new Warrants	(8,440)
Per Pro Forma III and IV	29,808

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON



FAJARBARU BUILDER GROUP BHD
(281645-U)
(Incorporated in Malaysia)

Directors' Report and Audited Financial
Statements
30 June 2013

CERTIFIED TRUE COPY
Kua Choh Leang
Ernst & Young (M: 0039)
Chartered Accountants
Kua Choh Leang
Kua Choh Leang
Partner

**Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)**

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Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

Principal activities

The Group is primarily engaged in construction industry acting as general contractors. The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 19 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year except for some of the subsidiaries as disclosed in Note 19 to the financial statements.

Results

	Group RM	Company RM
Profit for the year	<u>4,175,760</u>	<u>212,325</u>

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2013.

**Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)**

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon

Dato' Ir. Low Keng Kok

Tan Sri Datuk Chai Kin Kong (resigned on 30 September 2013)

Dato' Ismail bin Haji Omar

Ooi Leng Chooi

Foong Kuan Ming

Wong Chee Heng

Zahedi Bin Mohd Zain (appointed on 12 November 2012)

Dato' Lee Gee Huy @ Lee Kong Fee, JP (resigned on 12 November 2012)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the share options granted under the Employee Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, warrants and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	1.7.2012	Acquired	Sold	30.6.2013
The Company				
Direct Interest:				
Dato' Sri Ir. Kuan Peng Ching				
@ Kuan Peng Soon	2,203,606	10,300,000 ⁽¹⁾	-	12,503,606
Dato' Ir. Low Keng Kok	13,304,865	-	(13,300,000) ⁽³⁾	4,865
Tan Sri Datuk Chai Kin Kong	3,240,000	-	-	3,240,000
Ooi Leng Chooi	20,000	100,000 ⁽²⁾	(90,000) ⁽⁴⁾	30,000
Dato' Ismail bin Haji Omar	17,269	-	-	17,269
Foong Kuan Ming	102,857	-	-	102,857
Wong Chee Heng	52,800	-	-	52,800
Indirect Interest:				
Dato' Sri Ir. Kuan Peng Ching				
@ Kuan Peng Soon	5,054,400	-	-	5,054,400
		Number of warrants		
	1.7.2012	Acquired	Sold	30.6.2013
Direct				
Dato' Ismail bin Haji Omar	5,125	-	-	5,125

⁽¹⁾ Married deal acquisition.

⁽²⁾ Exercise of ESOS.

⁽³⁾ Married deal disposal.

⁽⁴⁾ Sold in open market.

Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)

Directors' interests (continued)

	Number of options over ordinary shares of RM0.50 each			
	1.7.2012	Granted	Exercised/ Expired	30.6.2013
Share option of the Company				
Tan Sri Datuk Chai Kin Kong	400,000	-	(400,000) ^(A)	-
Ooi Leng Chooi	130,000	350,000	(230,000) ^(B)	250,000
Dato' Ir. Low Keng Kok	400,000	-	(400,000) ^(A)	-

^(A) *Expiry of ESOS*

^(B) *100,000 was by way of exercise and 130,00 was by way of expiry*

The other director in office at the end of the financial year had any interest in shares, warrants and options over shares in the Company or its related corporations during the financial year.

Treasury shares

The Company repurchased 15,000 of its issued ordinary shares from the open market through Bursa Malaysia Securities Berhad during the financial year at an average price of RM0.66 per share. The total consideration paid for the repurchase including transaction costs was RM9,995. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Details of the treasury shares are presented in Note 27 to the financial statements.

Rights issue and warrants

On 21 October 2008, the Company issued a renounceable rights issue of 45,098,775 new ordinary shares of RM0.50 each with 45,098,775 free detachable new warrants on the basis of one (1) rights share and one (1) warrant for every two (2) ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 per rights share. These warrants were listed on the Bursa Malaysia Securities Berhad on 28 October 2008. The issuance resulted in a proceed of RM22,162,962 (net of costs of issuance of rights issue with warrants of RM386,426) to the Company.

**Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)**

Rights issue and warrants (continued)

The warrants have a term of 5 years to exercise from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid. During the financial year, 433,773 warrants were exercised.

The terms of the warrants are detailed in Note 28 to the financial statements.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM94,474,003 to RM95,845,889 by way of the issuance of:

- (i) 433,773 new ordinary shares of RM0.50 each pursuant to the exercise of warrants at an exercise price of RM0.50 per ordinary share for cash;
- (ii) 2,310,000 new ordinary shares of RM0.50 each pursuant to the exercise of ESOS at an exercise price of RM0.52 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Employee Share Option Scheme

At the Extraordinary General Meeting held on 28 October 2009, shareholders of the Company approved the Employee Share Option Scheme for the granting of non-transferable options to eligible senior executives, employees and directors of the Company respectively.

The Committee administering the Employee Share Option Scheme comprises four directors, Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon, Dato' Ir. Low Keng Kok, Ooi Leng Chooi and Wong Chee Heng.

The salient features and other terms of the Employee Share Option Scheme are disclosed in Note 29 to the financial statements.

During the financial year, the Company granted 10,370,000 share options under Employee Share Option Scheme. These options expire on 31 December 2013 and are exercisable from the grant date. The exercise price is RM0.52 per ordinary share.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 140,000 ordinary shares of RM0.50 each.

Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)

Employee Share Option Scheme (continued)

Details of options granted to Directors are disclosed in the Directors' Interests section in this report while the options granted to others are as follows:

	Number of options over ordinary shares of RM0.50 each			
	1.7.2012	Granted	Exercised/ Expired	30.6.2013
Share option of the Company				
Teo Sock Cheng	150,000	750,000	(150,000) ^(B)	750,000
Toh Teong Hock	120,000	400,000	(120,000) ^(B)	400,000
Ooi Leng Chooi	130,000	350,000	(100,000) ^(A)	250,000
		-	(130,000) ^(B)	
Wong Wee Keong	120,000	350,000	(120,000) ^(B)	350,000
Yau Tuck Wai	120,000	300,000	(120,000) ^(B)	300,000
Choo Kai Keong	120,000	200,000	(120,000) ^(B)	200,000
Ong Ken Kee	-	180,000	-	180,000
Loong Seow Pang	-	140,000	-	140,000
Charles Tan Ting Lih	77,000	180,000	(77,000) ^(B)	180,000
Kong Kam Loong	-	180,000	-	180,000
Kerk Wai See	-	180,000	-	180,000
Yee Chu Wah	55,000	150,000	(150,000) ^(A)	-
		-	(55,000) ^(B)	
Yeong Chee Eng	-	150,000	-	150,000
Wong Ah Chai	-	150,000	-	150,000
Lim Kim Teng	66,000	150,000	(40,000) ^(A)	110,000
		-	(66,000) ^(B)	
Tiong Choong Han	66,000	140,000	(66,000) ^(B)	140,000
Wong Su Fatt	66,000	140,000	(66,000) ^(B)	140,000
Nivaraj a/l Letchmanan	66,000	140,000	(66,000) ^(B)	140,000

^(A) Exercise of ESOS

^(B) Expiry of ESOS

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there all bad debts had been written off and that adequate allowance for impairment of receivables had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)

Other statutory information (continued)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for impairment of receivables inadequate to any substantial extent in respect of these financial statements; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)**

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 October 2013.



Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon



Ooi Leng Chooi

**Fajarbaru Builder Group Bhd. - 281645-U
(Incorporated in Malaysia)**

Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon and Ooi Leng Chooi, being two of the directors of Fajarbaru Builder Group Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 13 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 42 to the financial statements on page 95 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 October 2013.

Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon

Ooi Leng Chooi

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Ooi Leng Chooi, being the director primarily responsible for the financial management of Fajarbaru Builder Group Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 13 to 95, are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ooi Leng Chooi at Petaling Jaya in the State of Selangor on 17 October 2013.

Before me,



Ooi Leng Chooi

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**Independent auditors' report to the member of
Fajarbaru Builder Group Bhd.
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Fajarbaru Builder Group Bhd., which comprise statements of financial position as at 30 June 2013 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 94.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.