Company No. 281645-U

Building a better
working world

281645 U

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

Report on the financial statements (contd.)

Opinion

In our opinion, the financial statements 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 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Building a better
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Independent auditors' report to the member of Fajarbaru Builder Group Bhd. (contd.) (Incorporated in Malaysia)

Other matters

As stated in Note 2 to the financial statements, Fajarbaru Builder Group Bhd. adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including statements of financial position as at 30 June 2012 and 1 July 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2012 and related disclosures. We are not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.

The supplementary information set out in Note 42 to the financial statements on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
2716/01/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
17 October 2013

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

Statements of comprehensive income
For the financial year ended 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Revenue	4	213,200,956	140,675,092	1,133,250	1,704,400
Cost of finished goods	5	(27,651,214)	-	-	-
Other income	6	2,994,640	3,905,962	514,493	87,914
Project expenses		(171,909,501)	(159,019,683)	-	-
Staff costs	7	(7,055,223)	(8,685,577)	(1,273,147)	(2,670,237)
Depreciation		(1,605,883)	(1,114,945)	-	-
Other expenses	9	(1,900,060)	(3,062,014)	(156,847)	(887,408)
Profit/(loss) from operations		6,073,715	(27,301,165)	217,749	(1,765,331)
Finance costs	10	(381,064)	(962,461)	-	-
Profit/(loss) before taxation		5,692,651	(28,263,626)	217,749	(1,765,331)
Taxation	11	(1,516,891)	6,984,470	(5,424)	(67,158)
Profit/(loss) for the year		4,175,760	(21,279,156)	212,325	(1,832,489)
Other comprehensive income:					
Net gain on available-for-sale financial assets					
- Gain on fair value changes	28	2,343,021	-	2,343,021	-
Total comprehensive income/(expense) for the year		6,518,781	(21,279,156)	2,555,346	(1,832,489)
Profit/(loss) attributable to:					
Owners of the parent		4,175,760	(21,279,156)	212,325	(1,832,489)
Total comprehensive income/ (expense) attributable to:					
Owners of the parent		6,518,781	(21,279,156)	2,555,346	(1,832,489)

		Group	
		2013	2012
	Note	sen	sen
Earnings per share attributable to equity holders of the Company (sen):			
Basic, for profit/(loss) for the year	12	2.22	(12.15)
Diluted, for profit/(loss) for the year	12	2.14	(11.42)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Statements of financial position
As at 30 June 2013

	Note	Group 2013 RM	2012 RM	1.7.2011 RM
Assets				
Non-current assets				
Property, plant and equipment	14	12,882,586	12,966,944	9,959,595
Investment properties	15	803,428	1,331,405	1,335,734
Land held for property development	16	43,277,683	122,982,715	58,187,844
Investment securities	17	10,249,629	-	-
Intangible assets	18	208,202	208,202	208,202
Trade receivables	20	1,708,656	87,150	4,837,008
Total non current assets		69,130,184	137,576,416	74,528,383
Current assets				
Property development costs	21	82,725,598	-	-
Trade and other receivables	20	104,660,574	33,843,215	48,773,529
Other current assets	22	666,337	1,528,006	1,321,655
Tax recoverable		2,300,940	1,741,067	150,728
Cash and bank balances	24	35,543,174	74,212,285	94,882,763
Total current assets		225,896,623	111,324,573	145,128,675
Total assets		295,026,807	248,900,989	219,657,058
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	25	95,845,889	94,474,003	86,345,538
Share premium	26	3,782,651	3,628,459	3,313,468
Treasury shares	27	(1,126,576)	(1,116,581)	(5,894,477)
Warrant reserve	28	1,174,666	1,196,354	1,250,801
Other reserve	28	(64,259)	(85,947)	(140,394)
Fair value reserve	28	2,343,021	-	-
Employee share option reserve	29	359,040	97,222	240,120
Retained profits	30	41,727,560	37,436,813	58,475,130
Total equity		144,041,992	135,630,323	143,590,186

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

Statements of financial position
As at 30 June 2013 (continued)

		Group		
		2013	2012	1.7.2011
	Note	RM	RM	RM
Non-current liabilities				
Trade payables	31	6,400,446	5,419,464	4,743,334
Deferred tax liabilities	32	2,060,958	630,349	8,085,304
Loans and borrowings	33	42,897,778	45,782,222	-
Total non current liabilities		51,359,182	51,832,035	12,828,638
Current liabilities				
Trade and other payables	31	83,825,627	49,177,284	38,368,554
Other current liabilities	34	10,000,000	10,000,000	24,382,129
Tax payable		38,491	163,569	487,551
Loans and borrowings	33	5,761,515	2,097,778	-
Total current liabilities		99,625,633	61,438,631	63,238,234
Total liabilities		150,984,815	113,270,666	76,066,872
Total equity and liabilities		295,026,807	248,900,989	219,657,058

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

Statements of financial position
As at 30 June 2013 (continued)

		Company		
	Note	2013 RM	2012 RM	1.7.2011 RM
Assets				
Non-current assets				
Investments in subsidiaries	19	112,178,278	111,686,808	110,140,230
Investment securities	17	10,249,629	-	-
Total non current assets		122,427,907	111,686,808	110,140,230
Current assets				
Trade and other receivables	20	16,886,119	23,429,742	8,030,328
Tax recoverable		50,160	52,584	116,978
Cash and bank balances	24	291,291	1,264,316	6,021,455
Total current assets		17,227,570	24,746,642	14,168,761
Total assets		139,655,477	136,433,450	124,308,991
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	25	95,845,889	94,474,003	86,345,538
Share premium	26	3,782,651	3,628,459	3,313,468
Treasury shares	27	(1,126,576)	(1,116,581)	(5,894,477)
Warrant reserve	28	1,174,666	1,196,354	1,250,801
Other reserve	28	(1,174,666)	(1,196,354)	(1,250,801)
Fair value reserve	28	2,343,021	-	-
Employee share option reserve	29	359,040	97,222	240,120
Retained profits	30	38,402,799	38,075,487	39,667,137
Total equity		139,606,824	135,158,590	123,671,786
Current liabilities				
Trade and other payables	31	48,653	1,274,860	637,205
Total liabilities		48,653	1,274,860	637,205
Total equity and liabilities		139,655,477	136,433,450	124,308,991

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Statements of changes in equity
For the financial year ended 30 June 2013

		Attributable to equity holders of the Company							
	Note	Share capital RM	Treasury shares RM	Non-distributable share premium RM	Other reserve RM	Warrant reserve RM	Employee share option reserve RM	Distributable retained profits RM	Total equity RM
Group									
As at 1 July 2011		86,345,538	(5,894,477)	3,313,468	(140,394)	1,250,801	240,120	58,475,130	143,590,186
Income and expense items recognised directly in equity:									
- share transaction costs	26	-	-	(103,605)	-	-	-	-	(103,605)
Total comprehensive expense		-	-	-	-	-	-	(21,279,156)	(21,279,156)
Transactions with owners									
Share dividends	26/27	-	5,652,266	(5,652,266)	-	-	-	-	-
Treasury shares purchased	27	-	(874,370)	-	-	-	-	-	(874,370)
Issue of ordinary shares:									
- pursuant to warrant exercised	25/28	544,465	-	-	54,447	(54,447)	-	-	544,465
- pursuant to private placement	25/26	7,500,000	-	6,000,000	-	-	-	-	13,500,000
- pursuant to ESOS exercised	25/26/29	84,000	-	70,862	-	-	(3,662)	-	151,200
Share based payments:									
- grant of ESOS	29	-	-	-	-	-	101,603	-	101,603
- ESOS lapsed	29	-	-	-	-	-	(240,839)	240,839	-
As at 30 June 2012/1 July 2012		94,474,003	(1,116,581)	3,628,459	(85,947)	1,196,354	97,222	37,436,813	135,630,323

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

Statements of changes in equity
For the financial year ended 30 June 2013 (continued)

		Attributable to equity holders of the Company								
	Note	Share capital RM	Treasury shares RM	Non-distributable share premium RM	Other reserve RM	Warrant reserve RM	Employee share option reserve RM	Fair value reserve RM	Distributable retained profits RM	Total equity RM
Group										
As at 1 July 2012		94,474,003	(1,116,581)	3,628,459	(85,947)	1,196,354	97,222	-	37,436,813	135,630,323
Total comprehensive income		-	-	-	-	-	-	2,343,021	4,175,760	6,518,781
Transactions with owners										
Treasury shares purchased	27	-	(9,995)	-	-	-	-	-	-	(9,995)
Issue of ordinary shares:										
- pursuant to warrant exercised	25/28	216,886	-	-	21,688	(21,688)	-	-	-	216,886
- pursuant to ESOS exercised	25/26/29	1,155,000	-	154,192	-	-	(107,992)	-	-	1,201,200
Share based payments:										
- grant of ESOS	29	-	-	-	-	-	484,797	-	-	484,797
- ESOS lapsed	29	-	-	-	-	-	(114,987)	-	114,987	-
As at 30 June 2013		95,845,889	(1,126,576)	3,782,651	(64,259)	1,174,666	359,040	2,343,021	41,727,560	144,041,992

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

Statements of changes in equity
For the financial year ended 30 June 2013 (continued)

	Note	Share capital RM	Treasury shares RM	Non-distributable share premium RM	Other reserve RM	Employee share option reserve RM	Warrant reserve RM	Retained profits RM	Total RM
Company									
As at 1 July 2011		86,345,538	(5,894,477)	3,313,468	(1,250,801)	240,120	1,250,801	39,667,137	123,671,786
Income and expense items recognised directly in equity:									
- share transaction costs	26	-	-	(103,605)	-	-	-	-	(103,605)
Total comprehensive expense		-	-	-	-	-	-	(1,832,489)	(1,832,489)
Transactions with owners									
Share dividends	26/27	-	5,652,266	(5,652,266)	-	-	-	-	-
Treasury shares purchased	27	-	(874,370)	-	-	-	-	-	(874,370)
Issue of ordinary shares:									
- pursuant to warrant exercised	25/28	544,465	-	-	54,447	-	(54,447)	-	544,465
- pursuant to private placement	25/26	7,500,000	-	6,000,000	-	-	-	-	13,500,000
- pursuant to ESOS exercised	25/26/29	84,000	-	70,862	-	(3,662)	-	-	151,200
Share based payments:									
- grant of ESOS	29	-	-	-	-	101,603	-	-	101,603
- ESOS lapsed	29	-	-	-	-	(240,839)	-	240,839	-
As at 30 June 2012/1 July 2012		94,474,003	(1,116,581)	3,628,459	(1,196,354)	97,222	1,196,354	38,075,487	135,158,590

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

Statements of changes in equity
For the financial year ended 30 June 2013 (continued)

Company	Note	Share capital RM	Treasury shares RM	Non-distributable share premium RM	Other reserve RM	Employee share option reserve RM	Warrant reserve RM	Fair value reserve RM	Retained profits RM	Total RM
As at 1 July 2012		94,474,003	(1,116,581)	3,628,459	(1,196,354)	97,222	1,196,354	-	38,075,487	135,158,590
Total comprehensive expense		-	-	-	-	-	-	2,343,021	212,325	2,555,346
Transactions with owners										
Treasury shares purchased	27	-	(9,995)	-	-	-	-	-	-	(9,995)
Issue of ordinary shares:										
- pursuant to warrant exercised	25/28	216,886	-	-	21,688	-	(21,688)	-	-	216,886
- pursuant to ESOS exercised	25/26/29	1,155,000	-	154,192	-	(107,992)	-	-	-	1,201,200
Share based payments:										
- grant of ESOS	29	-	-	-	-	484,797	-	-	-	484,797
- ESOS lapsed	29	-	-	-	-	(114,987)	-	-	114,987	-
As at 30 June 2013		95,845,889	(1,126,576)	3,782,651	(1,174,666)	359,040	1,174,666	2,343,021	38,402,799	139,606,824

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company No. 281645-U

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

Statements of cash flows
For the financial year ended 30 June 2013

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Operating activities				
Profit/(loss) before taxation	5,692,651	(28,263,626)	217,749	(1,765,331)
Adjustments for:				
Depreciation on property, plant and equipment (Note 14)	1,604,801	1,110,616	-	-
Depreciation on investment properties (Note 15)	1,082	4,329	-	-
Grant of equity-settled share options to employee	484,797	101,603	484,797	101,603
Gain on disposal of property, plant and equipment	(44,999)	(11,949)	-	-
Gain on disposal of investment properties	(223,105)	-	-	-
Impairment loss on investment in subsidiary	-	-	-	453,420
Interest income	(1,784,776)	(3,531,624)	(23,023)	(87,914)
Reversal of impairment loss on investment in subsidiary	-	-	(491,470)	-
Finance costs	381,064	962,461	-	-
Operating profit/(loss) before working capital changes (balance carried forward)	6,111,515	(29,628,190)	188,053	(1,298,222)

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

Statements of cash flows
For the financial year ended 30 June 2013 (continued)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Operating activities (continued)				
Balance brought forward	6,111,515	(29,628,190)	188,053	(1,298,222)
Changes in working capital:				
Trade and other receivables	(72,745,406)	21,138,689	1,203	-
Trade and other payables	35,873,058	11,468,214	(1,226,206)	637,655
Other current assets	861,669	(206,351)	-	-
Other current liabilities	-	(14,382,129)	-	-
Development cost	(748,602)	-	-	
Due from subsidiaries	-	-	6,542,419	(15,399,414)
Cash (used in)/generated from operations	(30,647,766)	(11,609,767)	5,505,469	(16,059,981)
Taxes paid	(771,233)	(2,384,806)	(3,000)	(2,764)
Net cash (used in)/generated from operating activities	(31,418,999)	(13,994,573)	5,502,469	(16,062,745)
Investing activities				
Interest received	1,521,665	2,073,107	23,023	87,914
Capitalisation of debt due from subsidiary	-	-	-	(1,999,998)
Acquisition of investment securities	(7,906,608)	-	(7,906,608)	-
Proceeds from disposal of property, plant and equipment	45,000	11,950	-	-
Proceeds from disposal of investment property	750,000	-	-	-
Purchase of property, plant and equipment	(1,520,444)	(2,745,649)	-	-
Purchase of land held for property development	-	(66,167,188)	-	-
Net cash used in investing activities	(7,110,387)	(66,827,780)	(7,883,585)	(1,912,084)

Company No. 281645-U

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

Statements of cash flows
For the financial year ended 30 June 2013 (continued)

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Financing activities				
Finance cost paid	(2,327,109)	(945,815)	-	-
Proceeds from issuance of shares, net of transaction cost	216,886	544,465	216,886	544,465
Proceeds from private placements	-	13,396,395	-	13,396,395
Acquisition of treasury shares	(9,995)	(874,370)	(9,995)	(874,370)
Proceeds from exercise of employee share options	1,201,200	151,200	1,201,200	151,200
Repayment of loans	(1,835,556)	-	-	-
Invoice financing facility (net)	2,614,849	-	-	-
Drawdown of borrowings	-	47,880,000	-	-
Net cash (used in)/generated from financing activities	(139,725)	60,151,875	1,408,091	13,217,690
Net decrease in cash and bank balances	(38,669,111)	(20,670,478)	(973,025)	(4,757,139)
Cash and bank balances as at beginning of the year	74,212,285	94,882,763	1,264,316	6,021,455
Cash and bank balances as at end of the year (Note 24)	35,543,174	74,212,285	291,291	1,264,316
Less: Fixed deposit under lien (Note 24)	(14,043,579)	(20,090,310)	(218)	-
Cash and cash equivalents at end of year	21,499,595	54,121,975	291,073	1,264,316

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Notes to the financial statements
For the financial year ended 30 June 2013

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur. The principal place of business of the Company is located at No. 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

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.

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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 October 2013.

2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These financial statements are the Group's and the Company's first MFRS financial statements for the year ended 30 June 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

For the year ended 30 June 2013, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia.

The Group and the Company have applied MFRS retrospectively to the comparative information in these financial statements, including statements of financial position as at 30 June 2012 and 1 July 2011 (date of transition), and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2012 and related disclosures.

The adoption of the MFRS framework does not give rise to any significant effects on the financial statements of the Group and of the Company. There are no adjustments arising from the transition to MFRS. Accordingly, notes related to the statement of financial position as at date of transition to MFRS are not presented.

(a) Business Combinations

MFRS 1 provides option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (continued)

(a) Business Combinations

Acquisition before date of transition

The Group has elected to apply MFRS prospectively from the date of transition. In respect of acquisition prior to the date of transition.

(i) The classification of former business combinations under FRS is maintained;

(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards as issued by International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM").

3.2 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Description	Effective for financial periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013

3. Summary of significant accounting policies (continued)

3.2 Standards issued but not yet effective (continued)

Description	Effective for financial periods beginning on or after
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
MFRS 9 Financial Instruments	1 January 2015

3. Summary of significant accounting policies (continued)

3.2 Standards issued but not yet effective (continued)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretations 112 Consolidation - Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 Consolidated and Separate Financial Statements control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances.

The change in accounting of Group's investments (if any) will be applied in accordance with the relevant transitional provisions as set out in MFRS 10 as if the acquisitions of the effected entities had been accounted for in accordance with MFRS 3 at the date of acquisition.

MFRS 12 Disclosure of interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

3. Summary of significant accounting policies (continued)

3.2 Standards issued but not yet effective (continued)

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

3. Summary of significant accounting policies (continued)

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses, which are not eliminated when there are indications of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their respective carrying amounts;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration or distribution received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and the pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3. Summary of significant accounting policies (continued)

3.3 Basis of consolidation (continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

3.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful life, at the following annual rates:

Building	2%
Plant and machinery	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 50%
Renovations	10%
Land development expenditure, fish pond and equipment	10%

3. Summary of significant accounting policies (continued)

3.4 Property, plant and equipment and depreciation (continued)

Assets under construction included in plant and equipment are not depreciated as these assets are not available for use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

3.5 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Investment properties are stated at cost less accumulated depreciation and impairment.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 3.4 up to the date of change in use.

3. Summary of significant accounting policies (continued)

3.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. Summary of significant accounting policies (continued)

3.7 Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

3.8 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

3. Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(a) Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories. These financial assets are recorded initially at fair value plus transaction costs and thereafter, they are measured at fair value. Except for impairment, foreign exchange gains and losses on translation of monetary available-for-sale financial assets such as debt instruments, interest calculated using the effective interest method and dividends which are recognised in profit or loss, any gain or losses arising from changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss is reclassified from available-for-sale reserve to profit or loss. Decline in fair value that had been recognised in other comprehensive income is also reclassified from equity to profit or loss when there is objective evidence that the asset is impaired.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3. Summary of significant accounting policies (continued)

3.9 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. Summary of significant accounting policies (continued)

3.9 Impairment of financial assets (continued)

(b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment of losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.11 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

3. Summary of significant accounting policies (continued)

3.11 Land held for property development and property development costs (continued)

(b) Property development costs (continued)

Revenue is recognised only when it is probable that the economic benefits associated with the property development will flow to the Group which is upon the Group transferring to the purchaser the control, significant risks and rewards of ownership of the completed development project units.

The property development costs of the completed development project units whose revenue is recognised, is then recognised in the profit and loss simultaneously as an project expense in the profit and loss.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as liability and will only be expensed off upon the recognition of the revenue of the development project.

The billings to purchasers are classified as third party receivables within trade receivables.

3.12 Construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

3. Summary of significant accounting policies (continued)

3.12 Construction contracts (continued)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

3.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

3. Summary of significant accounting policies (continued)

3.14 Financial liabilities (continued)

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3. Summary of significant accounting policies (continued)

3.16 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of Malaysia and make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme is recognised as an expense in the period in which the related service is performed.

(c) Share-based compensation

The Fajarbaru Builder Group Bhd. Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to its directors and employees is recognised as an employee cost with a corresponding increase in the share option reserve within the equity.

The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

3.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

3. Summary of significant accounting policies (continued)

3.17 Revenue (continued)

(ii) Management fees

Management fees are recognised when services are rendered.

(iii) Sales of properties

Revenue from sales of properties is recognised upon transfer of risks and rewards of ownership to the buyer.

(iv) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(v) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

(vi) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(vii Sales of goods

Revenue from sales of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3. Summary of significant accounting policies (continued)

3.18 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. Summary of significant accounting policies (continued)

3.18 Income taxes (continued)

(b) Deferred tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Summary of significant accounting policies (continued)

3.18 Income taxes (continued)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.20 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. Summary of significant accounting policies (continued)

3.21 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.22 Warrant reserve

Warrant reserve represents the amount allocated to warrants issued and outstanding at the reporting date. The warrants reserve will be transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants, on expiry of the exercise period, shall remain in equity.

3.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

3.24 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as discussed below.

3. **Summary of significant accounting policies (continued)**

3.24 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Construction contracts

The Group recognises contract revenue and contract costs as revenue and expenses respectively in profit or loss by using the stage of completion method. The stage of completion is determined by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the construction contracts. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The Group assesses at each reporting date on the contract revenue and costs. The revised contract revenue and costs are recognised in profit or loss accordingly. The contract revenue is disclosed in Note 4.

(ii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 20.

3. Summary of significant accounting policies (continued)

3.24 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Impairment of land held for property development

The Group assesses whether there are indications of impairments for all non-financial assets, including land held for property development at each reporting date. These assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In respect of the land held for property development, the Group relies on valuations performed by external professional when there are indications of impairment.

(iv) Deferred tax

Deferred tax assets are recognised for all unused tax losses and capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The total carrying value of deferred tax assets recognised by the Group as at 30 June 2013 is RM5,678,197 (2012: RM7,215,075) as disclosed in Note 32.

v) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in Note 29.

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4. Revenue

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Construction contracts	184,749,453	140,675,092	-	-
Trading	28,451,503	-	-	-
Management fees from subsidiary	-	-	1,133,250	1,704,400
	213,200,956	140,675,092	1,133,250	1,704,400

5. Cost of finished goods

Cost of finished goods comprise original costs of purchase plus the cost incurred in bringing in the goods to the present location.

6. Other income

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Interest income:				
Deposits with licensed banks	556,368	1,320,085	23,023	87,914
Deposits with investment banks	963,682	789,295	-	-
Loans and receivables	-	1,357,992	-	-
Financial liabilities	264,726	64,252	-	-
Gain on disposal of property, plant and equipment	44,999	11,949	-	-
Gain on disposal of investment properties	223,105	-	-	-
Reversal of impairment loss on investment in subsidiaries	-	-	491,470	-
Rental income	941,760	362,389	-	-
	2,994,640	3,905,962	514,493	87,914

In the current financial year, reversal of impairment loss was made on investment in subsidiaries, Fajarbaru Builder Sdn. Bhd. and Fajarbaru Trading Sdn. Bhd, as the subsidiaries are in net tangible asset position as at 30 June 2013.

7. Staff costs

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Wages and salaries	11,185,656	9,454,005	632,785	1,355,234
Bonus	692,254	2,164,547	37,500	246,500
Gratuity	-	750,000	-	750,000
Social security costs	89,521	69,477	-	-
Pension costs - defined contribution plans	1,448,978	1,394,001	118,065	216,900
Share options granted under ESOS	484,797	101,603	484,797	101,603
Other staff related expenses	443,749	521,721	-	-
	14,344,955	14,455,354	1,273,147	2,670,237
Less:				
Amount capitalised in construction contracts	(7,289,732)	(5,769,777)	-	-
	7,055,223	8,685,577	1,273,147	2,670,237

Included in staff costs of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM698,142 (2012: RM2,650,428) and RM425,660 (2012: RM2,447,223) respectively as disclosed in Note 8.

8. Directors' remuneration

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Executive:				
Salaries and other emoluments	597,980	1,140,000	380,000	1,020,000
Pension costs - defined contribution plans	59,232	238,680	30,000	216,900
Bonus	25,270	511,425	-	450,000
Share options granted under ESOS	5,660	10,323	5,660	10,323
Gratuity	-	750,000	-	750,000
Fees	10,000	-	10,000	-
Benefits-in-kind	13,100	30,450	-	-
	711,242	2,680,878	425,660	2,447,223

8. Directors' remuneration (continued)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-executive:				
Fees	177,000	264,000	177,000	264,000
Share options granted under ESOS	-	44,030	-	44,030
Other emoluments	613,065	-	613,065	-
Benefits-in-kind	1,710	-	-	-
	791,775	308,030	790,065	308,030
Total directors' remuneration	1,503,017	2,988,908	1,215,725	2,755,253
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 7)	698,142	2,650,428	425,660	2,447,223
Total non-executive directors' remuneration excluding benefits-in-kind	790,065	308,030	790,065	308,030
Total directors' remuneration excluding benefits-in-kind	1,488,207	2,958,458	1,215,725	2,755,253

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors 2013	Number of directors 2012
Executive directors:		
RM100,001 - RM150,000	1	1
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	2	-
RM1,500,001 - RM2,000,000	-	1
Non-executive directors:		
Below RM50,000	4	4
RM100,001 - RM150,000	-	1
RM600,001 - RM650,000	1	-

9. Other expenses

Included in other expenses are the following:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Auditors' remuneration:				
- statutory audits	131,000	133,000	29,000	29,000
- other services	6,000	6,000	6,000	6,000
(Over)/under provision of audit fees	(35,500)	26,500	(10,000)	7,000
Impairment loss on investments in subsidiaries	-	-	-	453,420
Legal and other professional fees	144,488	386,133	14,890	128,400
Utility charges	77,774	74,384	-	-

10. Finance costs

	Group 2013 RM	Group 2012 RM
Interest expense:		
Loans and receivables	304,926	16,646
Credit facilities from licensed banks	20,993	918,739
Other finance costs	55,145	27,076
	381,064	962,461

In the current financial year, certain subsidiaries of the Company have started its property development activities. Hence, the interest expense arising from financing facilities obtained to finance the property development activities are allowed to be capitalised as part of the property development costs.

Other finance cost relates to the commitment fee charged by the bank for the banking facilities granted to a subsidiary of the Company, Fajarbaru Builder Sdn. Bhd..

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11. Taxation

Major components of income tax expense

The major components of income tax expense for the financial years ended 30 June 2013 and 2012 are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Current income tax				
- Malaysian income tax	455,505	523,721	5,424	-
- (Over)/under provision in respect of previous years	(369,223)	(53,236)	-	67,158
	86,282	470,485	5,424	67,158
Deferred income tax (Note 32)				
- Origination and reversal of temporary differences	1,153,839	(7,063,832)	-	-
- Under/(over) provision in respect of previous years	276,770	(391,123)	-	-
	1,430,609	(7,454,955)	-	-
Tax expense/(benefit)	1,516,891	(6,984,470)	5,424	67,158

11. Taxation (continued)

Reconciliation between tax expense and accounting profit

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 30 June 2013 and 2012 is as follows:

	2013 RM	2012 RM
Group		
(Loss)/profit before taxation	5,692,651	(28,263,626)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	1,423,163	(7,065,907)
Income not subject to tax	(311,264)	(563,128)
Expenses not deductible for tax purposes	523,595	610,345
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(44,027)	-
Deferred tax assets not recognised during the year	17,877	249,708
Over provision of current income tax in prior years	(369,223)	(53,236)
Under/(over) provision of deferred income tax in prior years	276,770	(391,123)
Tax on transfer of land from land held for property development to property, plant and equipment	-	228,871
Tax expense/(benefit) for the year	1,516,891	(6,984,470)
Company		
Profit/(loss) before taxation	217,749	(1,765,331)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	54,437	(441,333)
Expenses not deductible for tax purposes	(49,013)	441,333
Under provision of income tax in prior years	-	67,158
Tax expense for the year	5,424	67,158

12. Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares such as warrants and share options granted to employees.

The following reflects the income and share data used in computation of basic and diluted earnings per share.

	2013 RM	2012 RM
Earnings		
Earnings/loss earnings for the purpose of basic and diluted earnings per share, attributable to ordinary equity holders of the Company	4,175,760	(21,279,156)

	2013 shares	2012 shares
Number of shares		
Weighted average number of ordinary shares in issue for basic earnings per share	188,252,454	175,185,115
Effects of dilutive potential ordinary shares on conversion of warrants	6,301,211	11,098,793
Effects of dilution of ESOS	694,501	93,620
Adjusted weighted average number of ordinary shares in issue and issuable	195,248,166	186,377,528

	2013 sen	2012 sen
Earnings per share		
- Basic	2.22	(12.15)
- Diluted	2.14	(11.42)

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

13. Dividends

Share Dividend

There were no share dividends declared in the current financial year.

In the previous financial year, the Company declared 5,204,183 treasury shares as share dividend on the basis of one (1) treasury share for every thirty five (35) existing ordinary shares of RM0.50 each held for the financial year ended 30 June 2012 to the shareholders whose names appear in the Records of Depositors of the Company at the close of business on 21 March 2012. The dividend was distributed on 30 March 2012. The original purchased cost of the treasury shares amounting to RM5,652,266 was applied as a reduction from the Share Premium account.

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14. Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Motor vehicles	Furniture, fittings and office equipment	Renovations	Land development expenditure, fish pond and equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
As at 30 June 2013								
Cost								
As at 1 July 2012	5,390,278	965,800	369,000	5,463,121	812,650	158,673	5,959,103	19,118,625
Additions	-	-	163,410	1,097,939	58,857	85,014	115,224	1,520,444
Disposals	-	-	-	(421,918)	-	-	-	(421,918)
Written Off	-	-	-	-	(64,091)	-	-	(64,091)
As at 30 June 2013	5,390,278	965,800	532,410	6,139,142	807,416	243,687	6,074,327	20,153,060
Accumulated depreciation and impairment loss								
As at 1 July 2012	1,309,637	135,212	163,076	3,861,964	509,344	23,470	148,978	6,151,681
Depreciation charge for the year	-	19,316	51,890	806,877	101,104	24,369	601,245	1,604,801
Disposals	-	-	-	(421,917)	-	-	-	(421,917)
Written Off	-	-	-	-	(64,091)	-	-	(64,091)
As at 30 June 2013	1,309,637	154,528	214,966	4,246,924	546,357	47,839	750,223	7,270,474
Analysed as:								
Accumulated								
Depreciation	-	154,528	214,966	4,246,924	546,357	47,839	750,223	5,960,837
Impairment losses	1,309,637	-	-	-	-	-	-	1,309,637
	1,309,637	154,528	214,966	4,246,924	546,357	47,839	750,223	7,270,474
Net carrying amount	4,080,641	811,272	317,444	1,892,218	261,059	195,848	5,324,104	12,882,586

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14. Property, plant and equipment (continued)

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Renovations RM	Land development expenditure, fish pond and equipment RM	Construction in progress RM	Total RM
Group									
As at 30 June 2012									
Cost									
As at 1 July 2011	4,017,961	965,800	300,700	4,364,078	710,233	76,027	-	4,669,447	15,104,246
Additions	-	-	68,300	1,202,630	102,417	82,646	-	1,289,656	2,745,649
Disposals	-	-	-	(103,587)	-	-	-	-	(103,587)
Transfer from/(to)	-	-	-	-	-	-	5,959,103	(5,959,103)	-
Transfer from land held for property development (Note 16)	1,372,317	-	-	-	-	-	-	-	1,372,317
As at 30 June 2012	5,390,278	965,800	369,000	5,463,121	812,650	158,673	5,959,103	-	19,118,625
Accumulated depreciation and impairment loss									
As at 1 July 2011	1,309,637	115,896	126,178	3,154,329	431,008	7,603	-	-	5,144,651
Depreciation charge for the year	-	19,316	36,898	811,221	78,336	15,867	148,978	-	1,110,616
Disposals	-	-	-	(103,586)	-	-	-	-	(103,586)
As at 30 June 2012	1,309,637	135,212	163,076	3,861,964	509,344	23,470	148,978	-	6,151,681
Analysed as:									
Accumulated									
Depreciation	-	135,212	163,076	3,861,964	509,344	23,470	148,978	-	4,842,044
Impairment losses	1,309,637	-	-	-	-	-	-	-	1,309,637
	1,309,637	135,212	163,076	3,861,964	509,344	23,470	148,978	-	6,151,681
Net carrying amount	4,080,641	830,588	205,924	1,601,157	303,306	135,203	5,810,125	-	12,966,944

14. Property, plant and equipment (continued)

(i) All acquisitions during the financial year were by way of cash.

(ii) Fully depreciated assets with cost of RM4,188,905 (2012: RM2,741,000) are still in use.

(iii) The land and building with aggregate carrying amount of RM2,259,972 (2012: RM2,279,288) are charged to a bank for facilities obtained as disclosed in Note 33.

15. Investment properties

	Group 2013 RM	Group 2012 RM
Cost		
As at 1 July 2012/2011	1,344,388	1,344,388
Disposal	(540,960)	-
As at 30 June 2013/2012	803,428	1,344,388
Accumulated depreciation		
As at 1 July 2012/2011	12,983	8,654
Depreciation charge for the year	1,082	4,329
Disposal	(14,065)	-
As at 30 June 2013/2012	-	12,983
Net carrying amount	803,428	1,331,405
Approximate fair value		
Semi-detach unit	-	699,000
Land	944,587	944,587
	944,587	1,643,587

The fair value of the investment properties as at 30 June 2013 was based on the current prices in an active market for similar properties within the area in which the investment properties are located.

16. Land held for property development

	Group			
	Leasehold land RM	Freehold land RM	Development expenditure RM	Total RM
Cost				
As at 1 July 2011	14,896,844	34,630,607	9,272,741	58,800,192
Additions	-	66,122,628	44,560	66,167,188
Transfer to property, plant and equipment	-	(1,372,317)	-	(1,372,317)
As at 30 June 2012/ 1 July 2012	14,896,844	99,380,918	9,317,301	123,595,063
Transfer to property development costs	(13,537,844)	(66,122,628)	(44,560)	(79,705,032)
As at 30 June 2013	1,359,000	33,258,290	9,272,741	43,890,031
Accumulated impairment				
As at 1 July 2011/ 30 June 2012/1 July 2012/ 30 June 2013	-	612,348	-	612,348
Net carrying amount				
As at 30 June 2013	1,359,000	32,645,942	9,272,741	43,277,683
As at 30 June 2012	14,896,844	98,768,570	9,317,301	122,982,715

17. Investment securities

	Carrying amount RM	Market value RM
Available-for-sale financial assets		
Equity instruments (quoted in Malaysia), representing total investment in securities at fair value	10,249,629	10,249,629

18. Intangible assets

	Group 2013 RM	Group 2012 RM
Transferable club membership, at cost	208,202	208,202

19. Investments in subsidiaries

	Company 2013 RM	Company 2012 RM
Unquoted shares, at cost	112,231,648	112,231,648
Less: Accumulated impairment losses	(53,370)	(544,840)
	112,178,278	111,686,808

(a) Details of the subsidiaries, all of which were incorporated in Malaysia, as at 30 June 2013, are as follows:

Name of subsidiaries	Paid up capital RM	Equity interest held (%) 2013	Equity interest held (%) 2012	Principal activities
Fajarbaru Builder Sdn. Bhd.	50,000,000	100.00	100.00	Construction
Fajarbaru Trading Sdn. Bhd.	100,002	100.00	100.00	Trading of construction materials
Fajarbaru Land Sdn. Bhd.	2,000,000	100.00	100.00	(a)
Potential Region Sdn. Bhd.	700,000	100.00	100.00	Property development

19. Investments in subsidiaries (continued)

Name of subsidiaries	Paid up capital RM	Equity interest held (%) 2013	2012	Principal activities
Temasek Perkasa Sdn. Bhd.	100,000	100.00	100.00	Investment holding and provision of management services to its subsidiary.
Held through Fajarbaru Builder Sdn. Bhd.				
Wajatex Sdn. Bhd.	5,000,000	100.00	100.00	(b)
Held through Temasek Perkasa Sdn. Bhd.				
Renowaja Sdn. Bhd.	200,000	100.00	100.00	(c)

All the subsidiaries are audited by Ernst & Young, Malaysia

(a) The principal activities of Fajarbaru Land Sdn. Bhd., are project management and design and build consultancy. In the current financial year, the subsidiary ventured into property development activity and commenced its activity.

(b) The principal activity of Wajatex Sdn. Bhd., is manufacturing of ready-mix concrete. In the current financial year, the subsidiary ventured into property development activity and commenced its activity.

(c) The principal activity of Renowaja Sdn. Bhd., is property development. In the current financial year, the subsidiary had commenced its business operation.

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20. Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	42,144,436	11,120,538	-	-
Due from customers on contracts (Note 23)	58,354,795	21,545,719	-	-
	100,499,231	32,666,257	-	-
Less:				
Allowance for impairment	(180,972)	(233,721)	-	-
Trade receivables, net	100,318,259	32,432,536	-	-
Due from subsidiaries				
Due from subsidiaries	-	-	16,885,119	23,427,539
Other receivables				
Sundry receivables	2,896,721	603,381	-	1,203
Sundry deposits	1,479,194	840,898	1,000	1,000
	4,375,915	1,444,279	1,000	2,203
Less:				
Allowance for impairment	(33,600)	(33,600)	-	-
Other receivables, net	4,342,315	1,410,679	1,000	2,203
	104,660,574	33,843,215	16,886,119	23,429,742
Non-current				
Trade receivables				
Third parties (Note 23)	1,708,656	87,150	-	-
Total trade and other receivables (current and non-current)	106,369,230	33,930,365	16,886,119	23,429,742
Loans and receivables are represented as follows:				
Total trade and other receivables	106,369,230	33,930,365	16,886,119	23,429,742
Cash and bank balances (Note 24)	35,543,174	74,212,285	291,291	1,264,316
Total loans and receivables	141,912,404	108,142,650	17,177,410	24,694,058

20. Trade and other receivables (continued)

(a) Trade receivables

The Group's normal trade credit term ranges from 60 to 90 (2012: 60 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2013 RM	Group 2012 RM
Neither past due nor impaired	95,098,226	22,039,972
1 to 30 days past due not impaired	335,669	9,826,329
31 to 60 days past due not impaired	-	-
61 to 90 days past due not impaired	-	-
91 to 120 days past due not impaired	-	-
More than 120 days past due not impaired	6,593,020	653,385
	6,928,689	10,479,714
Impaired	180,972	233,721
	102,207,887	32,753,407

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM6,928,689 (2013: RM10,479,714) that are past due but not impaired.

As at the reporting date, trade receivables that are past due but not impaired arises from construction contracts entered by the Company with reputable and established receivables. Hence the risk of default is minimal.

20. Trade and other receivables (continued)

(a) Trade receivables (continued)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2013 RM	2012 RM
Individually impaired		
Trade receivables - nominal amounts	180,972	233,721
Less: Allowance for impairment	(180,972)	(233,721)
	-	-
Movement in allowance accounts:		
As at the beginning of the year	(233,721)	(233,721)
Debts written off	52,749	-
As at the end of the year	(180,972)	(233,721)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal dispute or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for trade debts due from 5 (2012: 1) customers which represent approximately 83% (2012: 50%) of the total debts.

20. Trade and other receivables (continued)

(b) Other receivables

Due from subsidiaries

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Sundry deposits

Included in sundry deposits is a balance of RM315,700 (2012: RM399,100) pertaining to deposits for the tender submission which the Group is bidding for.

Other receivables that are impaired

	Group	
	2013	**2012**
	RM	**RM**
Individually impaired		
Sundry receivables - nominal amounts	33,600	33,600
Less: Allowance for impairment	(33,600)	(33,600)
	-	-

There has been no movement in this allowance account for the financial year ended 30 June 2013 (2012: no movement in allowance account).

Sundry receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal dispute or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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21. Property development costs

	Group			
	Leasehold land RM	Freehold land RM	Development expenditure RM	Total RM
Development costs				
As at 1 July 2012	-	-	-	-
Transfer from land held for property development (Note 16)	13,537,844	66,122,628	44,560	79,705,032
Development costs incurred during the year	-	-	3,020,566	3,020,566
As at 30 June 2013	13,537,844	66,122,628	3,065,126	82,725,598

Included in development costs incurred during the financial year was interest expense amounting to RM2,271,964.

Property development costs with aggregate carrying amount of RM66,122,628 is charged to a local bank for term loan facility extended to the Company as disclosed in Note 33.

22. Other current assets

	Group	
	2013 RM	2012 RM
Advances to subcontractors	639,812	1,512,246
Prepayment	26,525	15,760
	666,337	1,528,006

23. Due from/(to) customers on contracts

	Group 2013 RM	Group 2012 RM
Construction contract costs incurred to date	860,038,410	688,186,451
Attributable profits less recognised losses	87,110,124	74,212,630
	947,148,534	762,399,081
Less: Progress billings	(903,672,126)	(768,257,318)
	43,476,408	(5,858,237)
Due from customers on contracts (Note 20)	58,354,795	21,545,719
Due to customers on contracts (Note 31)	(14,878,387)	(27,403,956)
	43,476,408	(5,858,237)
Retention sums on contracts, included within trade receivables (Note 20)	1,708,656	87,150

The amount of contract costs recognised as a project expense in the financial year is as follows:

	Group 2013 RM	Group 2012 RM
Project expenses	171,909,501	159,019,683

As at the reporting date, the Group has extended performance guarantee of RM75,190,289 (2012: RM62,343,420) and tender bond of RM1,966,995 (2012: RM2,651,995) to third parties in respect of the subsidiary's performance on contracts.

24. Cash and bank balances

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash in hand and at bank	7,224,002	19,536,664	291,073	1,264,316
Short term highly liquid investments	8,967,000	2,883,929	-	-
Deposits with:				
Licensed banks	14,043,797	20,090,310	218	-
Licensed investment banks	5,308,375	31,701,382	-	-
Cash and bank balances	35,543,174	74,212,285	291,291	1,264,316

Included in the deposits with licensed banks are deposits of RM14,043,579 (2012: RM20,090,310) on lien for credit facilities granted to the Group as disclosed in Note 33.

The weighted average interest rates of deposits and short term highly liquid investments at the reporting date were as follows:

	Group 2013 %	Group 2012 %
Short term highly liquid investments	2.09	2.22
Licensed banks	2.77	2.66
Licensed investment banks	2.98 - 2.99	3.05 - 3.16

The average maturity days of deposits and short term highly liquid investments at the reporting date were as follows:

	Group 2013 Days	Group 2012 Days
Short term highly liquid investments	1	1
Licensed banks	40	36
Licensed investment banks	1	1

25. Share capital

	Group/Company	
	No. of shares of RM0.50 each No.	Amount RM
Share capital		
Authorised:		
As at 1 July 2011/30 June 2012		
1 July 2012/30 June 2013	500,000,000	250,000,000

	No. of shares of RM0.50 each No.	Amount RM
Issued and fully paid:		
As at 1 July 2011	172,691,075	86,345,538
Issued during the year:		
- pursuant to exercise of warrants	1,088,930	544,465
- pursuant to private placement	15,000,000	7,500,000
- pursuant to ESOS exercised	168,000	84,000
As at 30 June 2012/1 July 2012	188,948,005	94,474,003
Issued during the year:		
- pursuant to exercise of warrants	433,773	216,886
- pursuant to ESOS exercised	2,310,000	1,155,000
As at 30 June 2013	191,691,778	95,845,889

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:

(a) 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;

(c) 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.

25. Share capital (continued)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The Company has Employee Share Option Scheme ("ESOS") under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

26. Share premium

	Group/Company RM
As at 1 July 2011	3,313,468
Issue of ordinary shares	
- pursuant to private placement	6,000,000
- pursuant to ESOS exercised	70,862
Distribution of share dividend of 1 treasury share for every 35 existing ordinary shares	(5,652,266)
Cost of issuance of share pursuant to private placement not recognised in profit or loss	(103,605)
As at 30 June 2012/1 July 2012	3,628,459
Issue of ordinary shares	
- pursuant to ESOS exercised	154,192
As at 30 June 2013	3,782,651

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27. Treasury shares

	Weighted average cost per share RM	Number of shares No.	Amount RM
As at 1 July 2011	1.09	5,392,547	5,894,477
Distribution of share dividend of 1 treasury share for every 35 existing ordinary shares	1.09	(5,204,183)	(5,652,266)
Purchase of treasury shares	1.04	839,700	874,370
As at 30 June 2012/1 July 2012	1.09	1,028,064	1,116,581
Purchase of treasury shares	0.67	15,000	9,995
As at 30 June 2013	1.08	1,043,064	1,126,576

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sales and issuance and distribution of treasury share dividend.

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting held on 12 November 2012, granted their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company repurchased 15,000 (2012: 839,700) of its issued ordinary shares from the open market through Bursa Malaysia Securities Berhad during the financial year at an average price of RM0.67 (2012: RM1.04) per share. The total consideration paid for the repurchase including transaction costs was RM9,995 (2012: RM874,370). 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.

28. Warrant reserve, other reserve and fair value reserve

	Fair value reserve RM	Other reserve RM	Warrant reserve RM	Total RM
Group				
As at 1 July 2011	-	(140,394)	1,250,801	1,110,407
Issue of ordinary shares: - pursuant to warrant exercised	-	54,447	(54,447)	-
As at 30 June 2012/1 July 2012	-	(85,947)	1,196,354	1,110,407
Other comprehensive income	2,343,021	-	-	2,343,021
Issue of ordinary shares: - pursuant to warrant exercised	-	21,688	(21,688)	-
As at 30 June 2013	2,343,021	(64,259)	1,174,666	3,453,428
Company				
As at 1 July 2011	-	(1,250,801)	1,250,801	-
Issue of ordinary shares: - pursuant to warrant exercised	-	54,447	(54,447)	-
As at 30 June 2012/1 July 2012	-	(1,196,354)	1,196,354	-
Other comprehensive income	2,343,021			2,343,021
Issue of ordinary shares: - pursuant to warrant exercised	-	21,688	(21,688)	-
As at 30 June 2013	2,343,021	(1,174,666)	1,174,666	2,343,021

28. Warrant reserve, other reserve and fair value reserve (continued)

Warrant reserve

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.

Principal terms of the warrants are as follows:

(a) The exercise period commenced on the date of issue of the warrants (21 October 2008) and it will end five years from the date of issuance (21 October 2013). Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.

(b) The warrants are issued in registered form and constituted by a Deed Poll dated 8 September 2008.

(c) The exercise price will be RM0.50 payable in full in respect of each new share of the Company issued upon the exercise of the warrant. Each warrant carries the entitlement to subscribe for one (1) new ordinary share of the Company.

During the financial year, 433,773 warrants were exercised.

Details of the movements of warrants are as follows:

	Number of warrants No.
As at 1 July 2011	25,016,025
Exercised during the year	(1,088,930)
As at 30 June 2012/1 July 2012	23,927,095
Exercised during the year	(433,773)
As at 30 June 2013	23,493,322

28. Warrant reserve, other reserve and fair value reserve (continued)

Other reserve

Other reserve arose mainly from the issuance of warrants in year 2008. This reserve will be credited upon the exercise of the issued warrant. Included in this reserve are also reserve arising from discount on acquisition of non-controlling interest by the Group and waiver of debts due to non controlling interest.

Fair value reserve

Fair value reserve represents the cumulative fair value changes, of available-for-sale financial assets until they are disposed of or impaired.

29. Employee Share Option Scheme

Movement of share options during the financial year

	Number of shares No.	Amount RM
As at 1 July 2011	3,817,500	240,120
Share options granted during the year	4,650,000	101,603
Share options exercised during the year	(168,000)	(3,662)
Share options lapsed during the year	(3,850,500)	(240,839)
As at 30 June 2012/1 July 2012	4,449,000	97,222
Share options granted during the year	10,370,000	484,797
Share options exercised during the year	(2,310,000)	(107,992)
Share options lapsed during the year	(4,829,000)	(114,987)
As at 30 June 2013	7,680,000	359,040

The Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 28 October 2009. During the previous financial year, on 2 January 2012, 4,650,000 new share options were granted and such options will lapse 1 year from the date of implementation on 1 January 2013. During the current financial year, on 26 February 2013, 10,370,000 new share options were granted and such options will lapse 10 months from the date of implementation on 31 December 2013.

29. Employee Share Option Scheme (continued)

The salient features of the Employee Share Option Scheme are as follows:

(a) The Options Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees and directors of the Group to subscribe for new ordinary shares of RM0.50 each in the Company at an offer price of RM0.52 per ordinary share.

(b) Subject to the discretion of the Options Committee, any employee whose employment has been confirmed and any directors holding office of the Group, shall be eligible to participate in the ESOS.

(c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than 10% of the share available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

(d) The option price for each share shall be the weighted average of the market prices as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date on which the option is granted less, if the Options Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company of RM0.50.

(e) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

29. Employee Share Option Scheme (continued)

The salient features of the Employee Share Option Scheme are as follows (continued):

(f) Details of share option are as follows:

	No. of Units	Weighted Average Exercise Price RM
Outstanding as at 1 July 2011	3,817,500	1.10
Granted during the year	4,650,000	0.90
Exercised during the year	(168,000)	0.90
Forfeited during the year	(3,850,500)	1.10
Outstanding as at 30 June 2012	4,449,000	0.90
Exercisable as at 30 June 2012	4,449,000	
Outstanding as at 1 July 2012	4,449,000	0.90
Granted during the year	10,370,000	0.52
Exercised during the year	(2,310,000)	0.52
Forfeited during the year	(4,829,000)	0.87
Outstanding as at 30 June 2013	7,680,000	0.52
Exercisable as at 30 June 2013	7,680,000	

(i) Share options exercised during the year

Options exercised during the financial year resulted in the issuance of 2,310,000 (2012: 168,000) ordinary shares at an average price of RM0.52 (2012: RM0.90).

29. Employee Share Option Scheme (continued)

The salient features of the Employee Share Option Scheme are as follows (continued):

(f) Details of share option are as follows (continued):

(ii) Fair value of share options granted during the current financial year

The fair value of share options measured at grant date and the assumptions are as follows:

Fair value of share options at the grant date 26 February 2013 (RM):	0.09
Weighted average share price (RM)	0.68
Weighted average exercise price (RM)	0.52
Expected volatility (%)	30.90
Expected life (years)	0.85
Risk free rate (%)	3.25

The expected life of the options is based on the actual granted options life and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

30. Retained profits

As at 30 June 2013, the Company may distribute its dividends out of its entire retained profits under the single tier system.

31. Trade and other payables

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Current				
Trade Payables				
Third parties	65,069,750	17,697,352	-	-
Due to customers on contracts (Note 23)	14,878,387	27,403,956	-	-
	79,948,137	45,101,308	-	-
Other Payables				
Sundry payables	326,132	230,627	10,853	3,326
Accruals	2,390,454	2,610,068	37,800	1,271,534
Deposits	470,833	545,210	-	-
Due to a former director of a subsidiary	690,071	690,071	-	-
	3,877,490	4,075,976	48,653	1,274,860
	83,825,627	49,177,284	48,653	1,274,860
Non-current				
Trade Payables				
Third parties	6,400,446	5,419,464	-	-
Total trade and other payables	90,226,073	54,596,748	48,653	1,274,860
Loans and borrowings (Note 33)	48,659,293	47,880,000	-	-
Total financial liabilities carried at amortised cost	138,885,366	102,476,748	48,653	1,274,860

(a) Trade payables

Third parties

The normal trade credit term granted to the Group ranges from 60 to 90 (2012: 60 to 90) days and non-interest bearing.

The non-current trade payables relates to the retention sum that the Company have retained as part of the obligation under the construction contracts.

Due to customers on contracts

These are amounts that customer on contracts have paid to a subsidiary of the Group, Fajarbaru Builder Sdn. Bhd. in excess of the progress billings.

31. Trade and other payables (continued)

(b) Other payables

Sundry payables

The normal credit term granted to the Group ranges from 60 to 90 (2012: 60 to 90) days and non-interest bearing.

Deposits

These deposits have been received from the subcontractors whom the Group have engaged to carry out the constructions.

Due to a former director of a subsidiary

This amount has been advanced by a former director of Potential Region Sdn. Bhd., a wholly owned subsidiary of the Company for the subsidiary's working capital purposes. This amount is payable on demand and is non-interest bearing.

32. Deferred tax liabilities

	Group	
	2013	**2012**
	RM	**RM**
As at beginning of year	630,349	8,085,304
Recognised in profit or loss (Note 9)	1,430,609	(7,454,955)
As at end of year	2,060,958	630,349

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Development properties RM	Accelerated capital allowances RM	Total RM
As at 1 July 2011	7,698,968	512,336	8,211,304
Recognised in profit or loss	(306,174)	(59,706)	(365,880)
As at 30 June 2012/1 July 2012	7,392,794	452,630	7,845,424
Recognised in profit or loss	-	(106,269)	(106,269)
As at 30 June 2013	7,392,794	346,361	7,739,155

32. Deferred tax (continued)

Deferred tax assets of the Group:

	Unused tax losses RM	Unabsorbed capital allowances RM	Other payables RM	Total RM
As at 1 July 2011	-	-	(126,000)	(126,000)
Recognised in profit or loss	(6,776,838)	(205,362)	(106,875)	(7,089,075)
At 30 June 2012/ 1 July 2012	(6,776,838)	(205,362)	(232,875)	(7,215,075)
Recognised in profit or loss	1,327,691	205,362	3,825	1,536,878
As at 30 June 2013	(5,449,147)	-	(229,050)	(5,678,197)

Deferred tax assets have not been recognised in respect of the following item:

	Group 2013 RM	2012 RM
Unused tax losses	592,127	696,727

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in these subsidiaries against which the Group can utilise the benefits.

33. Loans and borrowings

	Group 2013 RM	2012 RM
Current		
Secured:		
Term loan	3,146,666	2,097,778
Invoice financing facility	2,614,849	-
	5,761,515	2,097,778
Non-current		
Secured:		
Term loan	42,897,778	45,782,222
Total loans and borrowings	48,659,293	47,880,000

33. Loans and borrowings (continued)

The remaining maturities of the loans and borrowings as at reporting date are as follows:

	Group 2013 RM	Group 2012 RM
Not later than 1 year	5,761,515	2,097,778
Later than 1 year and not later than 2 years	3,146,667	3,146,666
Later than 2 years and not later than 5 years	38,440,000	38,440,000
Later than 5 years	1,311,111	4,195,556
	48,659,293	47,880,000

The interest rates at the reporting date for borrowings were as follows:

	Group 2013 %	Group 2012 %
Term loans	4.79 - 4.80	4.80 - 4.85
Invoice financing facility	4.40	-

Term loan

The term loans are to finance the purchase of freehold lands for property development purposes. These loans are secured against these lands which are registered under the Group's name.

The above term loans bear interest rates of 1.5% plus cost of fund ("COF") of 3.29% to 3.30%.

Invoice financing facility

The invoice financing facility obtained by a subsidiary of the Company, Fajarbaru Builder Sdn. Bhd., is to finance the payment for subcontractors' invoices. It is secured by the following:

- fixed deposits with licensed banks as disclosed in Note 24; and
- corporate guarantee by the Company.

The invoice financing facility bears interest rates of 4.40% per annum of face value of each invoice financing executed. The credit limit for the facility is RM25 million.

33. Loans and borrowings (continued)

Bank overdraft facilities

The bank overdraft facilities of the subsidiaries were not utilised as at reporting date.

The bank overdrafts of the Group are secured by the following:
- fixed deposits with licensed banks as disclosed in Note 24;
- corporate guarantee by the Company; and
- first party first legal charge over the land and building as disclosed in Note 14.

34. Other current liabilities

	Group	
	2013	2012
	RM	RM
Advance received on contract	10,000,000	10,000,000

These amounts have been advanced by the project owners to a subsidiary of the Group, Fajarbaru Builder Sdn. Bhd. to be used for mobilisation of the constructions works.

35. Capital commitments

During the year, a subsidiary of the Company, Fajarbaru Builder Sdn. Bhd., signed a Sales and Purchase ("Purchase") agreement to purchase a property in Petaling Jaya. The subsidiary has paid the 10% deposit in regard to this Purchase. The remaining 90% will be paid once the title of the property is transferred to the subsidiary's name. The remaining 90% which represents the total capital commitment as at the reporting date amounted to RM1,260,000.

36. Contingent liabilities

There are no contingent liabilities to be disclosed for the Group and the Company.

The Company provides unsecured financial guarantees to banks and other institutions in respect of facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

A nominal amount of RM138,563,386 (2012: RM122,875,415) relating to corporate guarantees provided by the Company to the banks and other institutions in respect of facilities of its subsidiary.

As at the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised as their fair values on initial recognition were not material (2012: not material).

37. Related party disclosures

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2013	2012
	RM	RM
Management fees receivable from a subsidiary	1,136,650	1,704,400
Advances received from a subsidiary	7,415,590	-
Advances given to a subsidiary	260,000	-

37. Related party disclosures (continued)

(b) Compensation of key management personnel

Key management personnel of the Group and of the Company are the executive directors, whose remunerations are disclosed in Note 8.

Directors' interests in employee share option scheme

During the financial year:

- 350,000 (2012: 950,000) share options were granted to 1 (2012: 3) of the Company's executive directors under the ESOS (Note 29) at an exercise price of RM0.52 (2012: RM0.90) each.

At the reporting date, the total number of outstanding share options granted by the Company to the above mentioned directors under the ESOS amounted to 250,000 (2012: 930,000).

38. Financial instruments

(a) Financial risk management objectives and policies

The daily operations of the Group require the use of financial instruments. Financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, contractual right to exchange financial instruments from other enterprises under conditions that are potentially favourable or an equity instrument of another enterprise, whilst financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to other enterprises or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The use of financial instruments exposes the Group to financial risks which are categorised as interest rate, liquidity and credit risks.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies that are approved by the Board.

38. Financial instruments (continued)

(a) Financial risk management objectives and policies (continued)

It is the Group's policy not to engage in speculative transactions. As and when the Group undertakes significant transactions with risk exposure, the Group evaluates its exposure and the necessity to hedge such exposure taking into consideration the availability and cost of such hedging instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk from financial assets relates to short term interest-bearing instruments, as the Group had no substantial long-term interest-bearing assets as at 30 June 2013. The investments in financial assets have been mostly placed in fixed deposits or short term highly liquid instrument.

The Group's interest rate risk from financial liabilities relates to interest-bearing borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit for the year would have been RM89,357 (2012: RM89,775) higher/lower, arising mainly as a result of lower/higher interest expense from loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The information on effective interest rates of the financial assets and liabilities are disclosed in their respective notes.

38. Financial instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standing credit.

The Group's and Company's liquidity risk management policy is to maintain sufficient liquid financial assets and standing credit facilities with four different banks. At the reporting date, approximately 12% (2012: 4%) of the Group's loans and borrowings (Note 33) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on undiscounted contractual repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
2013			
Financial liabilities:			
Group			
Trade and other payables	83,825,627	6,665,172	90,490,799
Loans and borrowings	7,855,237	46,660,737	54,515,974
	91,680,864	53,325,909	145,006,773
Company			
Trade and other payables	48,653	-	48,653
2012			
Financial liabilities:			
Group			
Trade and other payables	49,177,284	5,483,716	54,661,000
Loans and borrowings	4,107,520	51,880,132	55,987,652
	53,284,804	57,363,848	110,648,652
Company			
Trade and other payables	1,274,860	-	1,274,860

38. Financial instruments (continued)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's credit risk is primarily attributable to trade receivables.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

39. Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Cash and bank balances	24
Loans and borrowings	33
Trade and other payables	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values either due to their short-term nature of these financial instruments or they are floating rate instruments that are repriced to market rates on or near reporting date.

The fair value of non-current receivables, payables and loans and borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of borrowing at the reporting date.

Financial instruments that are carried at fair value

In estimating the financial instruments carried at fair value, there are, in general, three different levels which can be defined as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Valuation inputs (other than level 1 input) that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuations inputs that are not based on observable market data.

The following table presents the Group's financial assets that are measured at fair value as at 30 June 2013 into three different levels as defined above:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2013				
Financial assets:				
Group				
Available-for-sale financial assets	10,249,629	-	-	10,249,629

40. Segment information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services. The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a business unit that serves different markets.

(b) Business segments

The Group comprises the following main business segments:

(i) Investment holding;
(ii) Property development;
(iii) Construction; and
(iv) Trading.

Other business segments mainly consist of provision of corporate services, dormant and inactive company, none of each are of a sufficient size to be reported separately.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

(c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between business segments are based on negotiated prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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

Notes to the financial statements
For the financial year ended 30 June 2013

40. Segment information (continued)

30 June 2013	Property development RM	Construction RM	Trading RM	Investment holding RM	Adjustment and eliminations RM		Per consolidated financial statements RM
Revenue							
External sales	-	184,749,453	28,451,503	-	-		213,200,956
Inter-segment sales	-	73,160	1,413,633	1,133,250	(2,620,043)	A	-
Total revenue	-	184,822,613	29,865,136	1,133,250	(2,620,043)		213,200,956
Results							
Depreciation	601,245	1,004,638	-	-	-		1,605,883
Other non-cash expenses	-	304,926	-	484,797	-	B	789,723
Segment(loss)/profit	(776,127)	6,572,561	169,938	217,749	(491,470)	C	5,692,651
Assets							
Additions to non-current assets	115,224	1,405,220	-	-	-	D	1,520,444
Segment assets	34,050,629	241,703,149	16,587,628	139,655,478	(136,970,077)	E	295,026,807
Liabilities							
Segment liabilities	19,014,672	166,540,830	16,345,284	48,654	(50,964,625)	F	150,984,815

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

Notes to the financial statements
For the financial year ended 30 June 2013

40. Segment information (continued)

30 June 2012	Property development RM	Construction RM	Trading RM	Investment holding RM	Adjustment and eliminations RM		Per consolidated financial statements RM
Revenue							
External sales	-	140,675,092	-	-	-		140,675,092
Inter-segment sales	-	6,184,352	-	1,704,400	(7,888,752)	A	-
Total revenue	-	146,859,444	-	1,704,400	(7,888,752)		140,675,092
Results							
Depreciation	148,978	965,967	-	-	-		1,114,945
Other non-cash expenses	-	16,646	-	101,603	-	B	118,249
Segment loss	(129,129)	(26,822,586)	-	(1,765,331)	453,420	C	(28,263,626)
Assets							
Additions to non-current assets	1,289,656	1,455,993	-	-	-	D	2,745,649
Segment assets	32,147,078	207,827,097	-	136,433,450	(127,506,636)	E	248,900,989
Liabilities							
Segment liabilities	16,461,868	137,526,593	-	1,274,860	(41,992,655)	F	113,270,666

40. Segment information (continued)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2013 RM	2012 RM
Grant of equity-settled share options to employee	7	484,797	101,603
Interest expense on loans and receivables	10	304,926	16,646
		789,723	118,249

C The following items are deducted from/(added to) segment profit to arrive at "Profit/(loss) before taxation presented in the consolidated income statement:

	2013 RM	2012 RM
Reversal of impairment loss on investment in subsidiary	491,470	-
Impairment loss on investment in subsidiary	-	(453,420)
	491,470	(453,420)

D Additions to non-current assets consist of:

	2013 RM	2012 RM
Plant and machinery	163,410	68,300
Motor vehicles	1,097,939	1,202,630
Furniture, fittings and office equipment	58,857	102,417
Renovations	85,014	82,646
Land development expenditure, fish pond and equipment	115,224	-
Construction in progress	-	1,289,656
	1,520,444	2,745,649

40. Segment information (continued)

E The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM	2012 RM
Inter-segment balances	139,271,017	129,247,703
Tax recoverable	(2,300,940)	(1,741,067)
	136,970,077	127,506,636

F The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM	2012 RM
Inter-segment balances	(58,357,419)	(49,385,449)
Deferred tax liabilities	7,392,794	7,392,794
	(50,964,625)	(41,992,655)

41. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. No changes were made in the objective, policies or processes during the financial years ended 30 June 2013 and 30 June 2012.

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect. The Group's policy is to maintain a sustainable gearing ratio to meet its existing requirements. The Group includes within net debt, borrowings less cash and bank balances. Capital includes equity attributable to equity holder of the Group.

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Loans and borrowings (Note 33)	48,659,293	47,880,000	-	-
Less:				
Cash and bank balances (Note 24)	(35,543,174)	(74,212,285)	(291,291)	(1,264,316)
	13,116,119	(26,332,285)	(291,291)	(1,264,316)
Net debt	13,116,119	-	-	-
Equity attributable to the owner of the parent, representing total capital	144,041,992	135,630,323	139,606,824	135,158,590
Gearing ratio	9.11%	-	-	-

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Notes to the financial statements
For the financial year ended 30 June 2013

42. Supplementary information

The breakdown of the retained profits of the Group and of the Company as at 30 June 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with 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.

	Group RM	Company RM
2012		
Total retained profits		
- realised	60,986,437	38,075,487
- unrealised	(630,349)	-
	60,356,088	38,075,487
Less: Consolidation adjustments	(22,919,275)	-
Total retained profits as per financial statements	37,436,813	38,075,487
2013		
Total retained profits		
- realised	67,199,263	38,402,799
- unrealised	(2,060,958)	-
	65,138,305	38,402,799
Less: Consolidation adjustments	(23,410,745)	-
Total retained profits as per financial statements	41,727,560	38,402,799

APPENDIX V

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 MARCH 2014

CERTIFIED TRUE COPY

Director/Secretary
OOI LENG CHOOI
Finance Director

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the 3rd Quarter Ended 31 March 2014

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 31/03/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013	CURRENT YEAR TO DATE 31/03/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	54,920	68,591	214,102	138,773
Cost of Sales	(52,225)	(65,060)	(203,011)	(128,128)
Gross Profit	2,695	3,531	11,091	10,645
Other Income	269	228	568	982
Interest Income	378	290	816	1,299
Operating Expenses	(2,196)	(3,485)	(8,408)	(9,432)
Finance Costs	(70)	1,011	(316)	(43)
Profit Before Tax	**1,076**	**1,575**	**3,751**	**3,451**
Tax Expenses	(124)	(21)	(1,261)	(543)
Profit for the period	**952**	**1,554**	**2,490**	**2,908**
Profit attributable to :				
Equity holders of the parent	955	1,554	2,493	2,908
Non-controlling interest	(3)	-	(3)	-
	952	**1,554**	**2,490**	**2,908**
Weighted average no of shares ('000)	214,482	187,972	207,402	187,961
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Earnings per share attibutable to equity holders of the parent (sen)				
- Basic	**0.45**	**0.83**	**1.20**	**1.55**
- Diluted	**0.45**	**0.70**	**1.20**	**1.31**

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

Company No. 281645-U

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 3rd Quarter Ended 31 March 2014

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 31/03/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2013	CURRENT YEAR TO DATE 31/03/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	952	1,554	2,490	2,908
Other comprehensive income	-	-	-	-
Net gain on other investment				
- Gain on fair value changes	(788)	(1,183)	394	1,160
Total Comprehensive income :	163	371	2,884	4,068
Total comprehensive income attributable to				
Equity holders of the parent	166	371	2,887	4,068
Non-controlling interest	(3)	-	(3)	-
	164	**371**	**2,884**	**4,068**
Weighted average no of shares ('000)	214,482	187,972	207,402	187,961
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Earnings per share attibutable to equity holders of the parent (sen)				
- Basic	**0.45**	**0.83**	**1.20**	**1.55**
- Diluted	**0.45**	**0.70**	**1.20**	**1.31**

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

Company No. 281645-U

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	(Unaudited) AS AT END OF CURRENT QUARTER 31/03/2014 RM'000	(Audited) AS AT FINANCIAL YEAR ENDED 30/06/2013 RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	14,666	12,882
Investment properties	803	803
Land held for property development	43,278	43,278
Other Investment	10,644	10,250
Intangible Assets	208	208
Trade Receivables	1,709	1,709
Goodwill	5	-
	71,313	69,130
Current Assets		
Inventory	332	-
Property development costs	85,450	82,726
Trade and other receivable	87,322	104,661
Other current assets	677	666
Tax recoverable	1,591	2,301
Cash and bank balances	65,767	35,543
	241,139	225,897
TOTAL ASSETS	312,452	295,027
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	110,152	95,846
Share Premium	4,208	3,782
Treasury Shares	(1,130)	(1,127)
Warrant Reserves	-	1,175
Other Reserves	1,111	(64)
ESOS - Reserves	-	359
Fair Value Reserves	2,737	2,343
Retained profits	44,282	41,728
Shareholders' funds	161,360	144,041
Non-Controlling interests	384	-
TOTAL EQUITY	161,744	144,042
Non-current liabilities		
Trade and other payables	6,400	6,400
Deferred tax liabilities	3,032	2,061
Loans and borrowings	40,538	42,898
	49,970	51,359
Current Liabilities		
Trade and other payables	91,470	83,826
Other current liabilities	5,324	10,000
Taxation	91	38
Loans and borrowings	3,853	5,762
	100,738	99,626
TOTAL LIABILITIES	150,708	150,985
TOTAL EQUITY AND LIABILITIES	312,452	295,027
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7377	0.7555
No of Shares issued	219,256,676	190,648,714
Nominal value of each share (RM)	0.50	0.50

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

Company No. 281645-U

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 31 MARCH 2014

	END OF CURRENT QUARTER	END OF PRECEDING QUARTER
	31/03/2014	31/03/2013
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,751	3,451
Adjustment for :		
Depreciation on property, plant and equipment	1,282	1,197
Depreciation on investment properties	-	1
Grant of equity-settled share options to employee	-	587
Gain on disposal of property, plant and equipment	(102)	(45)
Gain on disposal of investment property	-	(223)
Interest income	(816)	(1,299)
Finance costs	316	43
Operating profit before working capital changes	4,431	3,712
Change in working capital		
(Increase)/Decrease in inventories	(332)	(366)
(Increase)/Decrease in receivables	15,608	(50,879)
Increase/(Decrease) in payables	2,896	14,819
(Increase)/Decrease in other current assets	(11)	916
Cash generated (used in)/generated from operations	22,592	(31,798)
Taxes paid	(236)	(711)
Taxes refund	625	45
Net cash flow (used in)/ generated from operating activities	22,981	(32,464)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	768	1,254
Net cash outflow for acquisiton of subsidiary	(408)	-
Proceeds from disposal of property, plant and equipment	109	45
Proceeds from disposal of investment property	-	750
Purchase of property, plant and equipment	(3,072)	(1,428)
Purchase of investment securities	-	(7,907)
Purchase of land held for propert development	-	(2,089)
Net cash (used in) /generated from investing activities	(2,603)	(9,374)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(316)	(43)
Proceed from issuance of ordinary shares, net of transaction cost	11,121	29
Acquisition of treasury shares	(3)	(7)
Proceeds from exercise of employee share options	3,312	73
Repayment of loans and borrowings	(4,268)	(1,049)
Net cash (used in) /generated from financing activities	9,846	(997)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALEN	30,224	(42,835)
CASH AND BANK BALANCES AS AT 1 JULY 2013	35,543	74,212
CASH AND BANK BALANCES AS AT 31 MARCH 2014	65,767	31,378
Less :Fixed deposit under lien	(14,325)	(14,823)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH 2014	51,442	16,554

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

Company No. 281645-U

FAJARBARU BUILDER GROUP BHD (281645-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 3rd Quarter Ended 31 March 2014

	Attributable to equitable holders of the Company										
	Non-distributable							Distributable			
	Share Capital (RM'000)	Treasury Shares (RM'000)	Share Premium (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Fair value reserve (RM'000)	Retained profit (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2013	95,846	(1,127)	3,782	(64)	1,175	359	2,343	41,728	144,042	-	144,042
Total comprehensive income for the year	-	-	-	-	-	-	394	2,493	2,887	(3)	2,884
Treasury shares purchased	-	(3)	-	-	-	-	-	-	(3)	-	(3)
Issue of ordinary shares:											
- pursuant to warrant exercised	11,121	-	-	1,112	(1,112)	-	-	-	11,121	-	11,121
- pursuant to ESOS exercised	3,185	-	426	-	-	(298)	-	-	3,313	-	3,313
Warrant expired	-	-	-	63	(63)	-	-	-	-	-	-
Acquisition of Non-controlling interest	-	-	-	-	-	-	-	-	-	387	387
Share based payments:											
- ESOS lapsed	-	-	-	-	-	(61)	-	61	-	-	-
As at 31 March 2014	110,152	(1,130)	4,208	1,111	-	-	2,737	44,282	161,360	384	161,744
As at 1 July 2012	94,474	(1,117)	3,628	(85)	1,196	97	-	37,437	135,630	-	135,630
Income and expense items recognised directly in equity:											
- share transaction costs	-	-	-	-	-	587	-	-	587	-	587
Total comprehensive income for the year	-	-	-	-	-	-	1,160	2,908	4,068	-	4,068
Treasury shares purchased	-	(7)	-	-	-	-	-	-	(7)	-	(7)
Issue of ordinary shares:											
- pursuant to warrant exercised	29	-	-	2	(2)	-	-	-	29	-	29
- pursuant to ESOS exercised	70	-	3	-	-	-	-	-	73	-	73
Share based payments:											
- grant of ESOS	-	-	8	-	-	-	-	-	8		8
- ESOS lapsed	-	-	-	-	-	(106)	-	98	(8)	-	(8)
As at 31 March 2013	94,573	(1,123)	3,639	(83)	1,194	578	1,160	40,443	140,381	-	140,381

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statement for the year ended 30 June 2013 and the accompaning explanatory notes attached to the interim financial statements)

FAJARBARU BUILDER GROUP BHD (281645-U)

Notes to the Interim Financial Report

A1 Basis of preparation

The condensed consolidated financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting Standards in Malaysia and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2013. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2013.

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2013 except for the adoption of the following new and revised standards, amendments and interpretations that are effective for financial period from 1 July 2013 :

MFRS 3	Business Combinations (IFRS 3 Business Combination issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurements

Amendments to the following MFRSs:

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
MFRS 7	Disclosure-Offsetting Financial Assets and Financial Liabilities
MFRS 10	Consolidated Financial Statements: Transition Guidance
MFRS 11	Joint Arrangements: Transition Guidance
MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance
MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

The adoption of the above did not have any material impact on this report upon their initial application.

A2 Annual report

The auditors' report on the financial statements for the year ended 30 June 2013 was not qualified.

A3 Seasonal or cyclical factors

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

A4 Unusual items

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

A5 Changes in estimates

Not applicable.

A6 Debt and equity securities

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

The details of shares held as treasury shares for the period ended 31 March 2014 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 December 2013	1,048,064	1,129,784
Repurchased during the quarter	-	-
Balance as at 31 March 2014	1,048,064	1,129,784

The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A7 Dividend Paid

There were no dividend declared during the current quarter.

A8 Carrying amount of revalued assets

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2013.

A9 Segmental reporting

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

Period ended 31.03.14	Construction RM'000	Trading RM'000	Property development RM'000	Investment holding RM'000	Adjustment and Eliminations RM'000	Total RM'000
Revenue						
External Sales	176,978	37,124	-	-	-	214,102
Inter-segment sales		36	-	419	(455)	-
Total revenue	176,978	37,160	-	419	(455)	214,102
Results						
Profit/(Loss) from operation	4,231	593	(579)	(179)	1	4,067
Finance costs	(316)	-	-	-	-	(316)
Profit/(Loss) before tax	3,916	593	(579)	(179)	1	3,751
Total assets						
Segment assets/ Consolidated total assets	**231,788**	**12,709**	**108,145**	**154,291**	**(194,481)**	**312,452**

No segmental information is provided on a geographical basis as the Group's activities are conducted wholly in Malaysia.

A10 Events subsequent to the balance sheet date

There were no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements, except as disclosed below:-

The internal restructuring entails the transfer of 2,000,000 ordinary shares of RM1.00 each in Fajarbaru Land Sdn. Bhd. ("FLSB"), representing 100% of the total issued and paid up capital of FLSB, from the Company to Fajarbaru Properties Sdn. Bhd. (formerly known as Temasek Perkasa Sdn. Bhd.) ("FPSB"), and the transfer of 5,000,000 ordinary shares of RM1.00 each in Wajatex Sdn. Bhd., representing 100% of the total issued and paid up capital of WSB, from Fajarbaru Builder Sdn. Bhd. to FPSB were completed on 4 April 2014.

The acquisition of 1,000,000 ordinary shares of RM1.00 each in Smooth Accomplishment Sdn. Bhd. ("SASB") representing the entire issued and paid up capital of SASB by the Company's subsidiary company, Billion Variety Sdn. Bhd., was completed on 15 April 2014.

On 7 May 2014, the Company's wholly owned subsidiary company, FPSB, had registered a subsidiary company in Australia namely Fajarbaru-Beulah (Melbourne) Pty Ltd (Australian Company No. 169430246) ("FBM"). FPSB holds 51,000 ordinary shares of AUD$1.00 each in FBM, representing 51% of the total issued and paid up capital of FBM.

A11 Changes in composition of the Group

There were no changes in the composition of the Group, except as disclosed below:-

The acquisition of 408,000 ordinary shares of RM1.00 each in Billion Variety Sdn. Bhd. ("BVSB"), representing 51% of the total issued and paid up capital of BVSB by the Company was completed on 3 March 2014.

A12 Capital commitments

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

A13 Changes in contingent liabilities

	Company	
	As at 31.03.14	As at 30.06.13
	RM'000	RM'000
Unsecured corporate guarantees given to third parties for:-		
- supply of goods to subsidiaries	-	-
- banking facilities granted to subsidiaries	131,501	138,563

The directors are of the opinion that the likelihood of crystallization of the above guarantees is remote.

Additional information required by the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of performance

	Current Quarter ended 31/03/2014 (RM'000)	Preceding Year Quarter ended 31/03/2013 (RM'000)
Revenue	54,920	68,591
Consolidated Profit before tax	1,076	1,575
Consolidated Profit after tax	952	1,554

The Group recorded a lower revenue of RM54.9 million and a pre-tax profit of RM1.1 million in the current quarter ended 31 March 2014 as compared to a revenue of RM68.6 million and a pre-tax profit of RM1.6 million reported in the preceding year corresponding quarter.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 March 2014 is as follows :

Construction Segment
The Group recorded a lower revenue of RM46.3 million in the current quarter as compared to the preceding year corresponding quarter of RM58.8 million was due to one of the projects which contribute high revenue has been slow down in the work progress during the quarter because of landslip at site.

Trading Segment
The Group recorded a lower revenue of RM8.6 million in the current quarter as compared to the preceding year corresponding quarter of RM9.8 million was due to lower activities of construction division.

Property Development Segment
The Group is actively working on the property development projects comprising of residential and mixed commercial developments. These projects are at various stages of approval and will contribute positively to the revenue and earnings of the Group.

This segment does not record any revenue yet except for an other income of RM93,900 during the current quarter.

Investment Holding Segment
For the quarter under review, the investment holding segment continued to be inactive to the Group in term of revenue contributions.

In the opinion of the Directors, the results for the financial period under review have not been affected by any transaction or event of a material or unusual nature except item if any mentioned under B2 below.

B2 Variation of result against preceding quarter

	Current Quarter ended 31/03/2014 (RM'000)	Preceding Quarter ended 31/12/2013 (RM'000)
Revenue	54,920	81,593
Consolidated Profit before tax	1,076	1,757
Consolidated Profit after tax	952	801

For the current quarter ended 31 March 2014 under review, the Group registered a revenue of RM54.9 million and a pre-tax profit of RM1.1 million as compared to revenue and pre-tax profit of RM81.6 million and RM1.7 million respectively in the preceding quarter ended 31 December 2013.

The decreased in revenue of the Group of 32.7% and decreased in pre-tax profit of 38.6% was due to one of the projects under the construction division which contribute high revenue has been slow down in the work progress during the quarter because of landslip at site.

B3 Current year prospects

The Group will continue to focus on its construction segment which is the main core business of the Group and expected to deliver another challenging year of revenue growth, driven by several on-going projects being awarded to the Group that will be continuously implemented over the next couple of years. The Group will focus on the replenishment of its current order book and will continue to actively tender for local construction projects.

As for the property segment, the Group had obtained building plan approval to develop one block of serviced apartment comprising 160 units of serviced apartment on a parcel of commercial land in Pulau Melaka, Malacca. The project is expected to be launched once the developer license and advertising and sales permit approvals are obtained.

The Group has also made development order and other submissions related to the projects to the local authority to develop the Group's land in Sentul and Puchong into serviced apartment and condominium. With property prices continue to be on uptrend, the property segment is expected to make significant contribution to the Group revenue over the next three years and beyond.

The Group will continue to explore for more business and investment opportunities.

B4 Profit forecast

Not applicable.

B5 Profit guarantee

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

On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official

Receiver from the Jabatan Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/03/2014 RM'000	3 months ended 31/03/2013 RM'000	9 months ended 31/03/2014 RM'000	9 months ended 31/03/2013 RM'000
Current period's provision	41	-	289	-
Under / (Over) provision for the prior years	1	(369)	1	(369)
	42	(369)	290	(369)
Deferred taxation	82	390	971	912
	124	21	1,261	543

The effective tax rate for the financial year was lower than the statutory income tax rate in Malaysia due to the utilization of unabsorbed losses available of certain subsidiaries.

B7 Purchase or disposal of Quoted Securities

There were no purchases of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 31 March 2014 were as follows :

	RM'000
At cost	7,907
At market value	10,644

B8 Status of corporate proposals announced

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

On 26 February 2014, RHB Investment Bank Bhd ("RHBIB") had, on behalf of the Board, announced that the 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.

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

i. the Company proposes to vary the proposed utilisation of proceeds, under the Maximum Scenario, from the Proposed Rights Issue with Warrants; and

ii. the Company proposes to undertake the diversification of its existing principal activities to include logging and timber trading business.

B9 Borrowings

The tenure of the Group borrowings classified as follows:-

	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
Secured		
Short Term	3,853	3,147
Long Term	40,538	43,684
	44,391	46,831

The Group borrowings are all denominated in Ringgit Malaysia.

B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 March 2014.

B11 Material litigation

Neither the Company nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration either as plaintiff or defendant as at the date of this announcement and the Directors do not have any knowledge of any proceedings pending or threatened against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Group.

B12 Dividend

No dividend has been declared for the second quarter ended 31 March 2014.

B13 Earnings per share

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

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

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31.03.14 RM'000	3 months Ended 31.03.13 RM' 000	9 months Ended 31.03.14 RM000	9 months Ended 31.03.13 RM'000
Net profit attributable to equity holders of the Company	955	1,554	2,493	2,908
Weighted Average Number of shares at the end of the period ('000)	214,482	187,972	207,402	187,961
Weighted Average Number of shares of conversion of Warrants and ESOS to shares ('000)	-	34,079	-	34,079
Adjusted number of ordinary shares in issue and issuable ('000)	214,482	222,051	207,402	222,040
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Basic earnings per share (sen)	0.45	0.83	1.20	1.55
Diluted earnings per share (sen)	0.45	0.70	1.20	1.31

B14 Realised and Unrealised Profits

The breakdown of accumulated profits of the Group as at the reporting date, into realised and unrealised profit, pursuant to the directive, is as follows:

	As at End of Current Quarter 31/03/2014 RM'000	As at End of Preceding Financial Year 30/06/2013 RM'000
Total accumulated profit of the Company and it's subsidiaries		
- Realised	70,726	67,199
- Unrealised	(3,032)	(2,061)
	67,694	65,138
Less: Consolidation adjustments	(23,412)	(23,410)
Total group retained profit as per consolidated accounts	44,282	41,728

B15 Profit before taxation

	Current Year Quarter 31/03/2014 RM'000 Unaudited	Current Year To-date 31/03/2013 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(816)	(290)
Other income - Rental	(295)	(228)
Gain on disposal of property, plant & equipment	(102)	-
Depreciation	1,282	429
Interest expense	316	(1,020)
Provision for and write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
(Gain) or loss on disposal of quoted or unquoted Investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain or loss	N/A	N/A
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

N/A – Not Applicable

B16 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 22 May 2014.

By Order of the Board
Fajarbaru Builder Group Bhd (281645-U)

Ooi Leng Chooi
Finance Director

Kuala Lumpur
22 May 2014

Company No. 281645-U

APPENDIX VI

DIRECTORS' REPORT

FAJARBARU BUILDER GROUP BHD. (281645-U)
No. 61 & 63, Jalan SS 6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Tel: 603-7804 9698 (Hunting Line) Fax: 603-7804 3698 & 7804 4849 Website : www.fb.com.my

Registered Office:-

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

Date: 21 AUG 2014

To: The Shareholders of Fajarbaru Builder Group Bhd ("Fajarbaru" or the "Company")

On behalf of the Board of Directors of Fajarbaru ("Board"), I wish to report that after making due enquiries in relation to Fajarbaru and its subsidiaries ("Group") during the period between 30 June 2013, being the date to which the latest audited consolidated financial statements of our Group have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

i. In the opinion of the Board, the business of our Group has been satisfactorily maintained;

ii. In the opinion of the Board, no circumstances have arisen since the latest audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

iii. The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

iv. Save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

v. There has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited consolidated financial statements of our Group; and

vi. Save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited consolidated financial statements of our Group.

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

(signed)

....

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

ADDITIONAL INFORMATION

1. SHARE CAPITAL

i. Save for the Rights Shares, the Warrants and the new Fajarbaru Shares to be issued pursuant to the exercise of the Warrants, no other securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.

ii. As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.

iii. As at the LPD, save for the Provisional Allotment pursuant to the Rights Issue with Warrants and the ESOS Options to be granted, no person has been or is entitled to be given an option to subscribe for any shares or stocks of our Company or our subsidiary companies.

iv. All the Rights Shares and the new Fajarbaru Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Fajarbaru Shares, save and except that such Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such Shares.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 96

i. The fees payable to the Directors (except salaries payable to executive Directors for their services) shall from time to time be determines by a resolution of the Company in general meeting PROVIDED THAT such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

ii. The Directors shall also be paid such travelling, hotel and other expenses properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at meeting of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company as the Directors may determine.

iii. Save as provided in Article 92(i) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another but shall not include a commission on or percentage of turnover) as the Directors may determine.

iv. Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Director may not include a commission on or percentage of turnover.

v. Any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remunerating of the later.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

i. The agreement entered into between YAM Tengku and SASB dated 10 March 2014 for SASB 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 for a period of 48 months from the date of issuance of license to YAM Tengku for timber extraction, by JPNP, for a total cash consideration of RM24,000,000. The timber extraction license is expected to be issued by end of September 2014;

ii. The agreement entered into between CKSB and BVSB dated 14 May 2014 in relation to the appointment of BVSB as a contractor 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 JPNP, for a total cash consideration of RM4,318,000. The timber extraction license is expected to be issued by end of September 2015.

   For information purposes, the said agreement was entered into between CKSB and BVSB subsequent to the letter of award by CKSB dated 3 February 2014;

iii. The agreement entered into between FBM, BLI and DRPL dated 7 July 2014 in relation to the acquisition of 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 for a total cash consideration of AUD6,900,000, exclusive of 10% Australian Good and Services Tax; and

iv. The Deed Poll for the Warrants.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group has not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

5. GENERAL

i. As at the LPD, there is no other existing or proposed service contract entered into or to be entered into between our Group and our Directors, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

ii. Save as disclosed in Sections 6, 7 and 9 of this Abridged Prospectus, and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;

c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;

d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

e) fluctuation in revenues; and

f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Principal Adviser, Company Secretaries, Share Registrar, Principal Bankers, Due Diligence Solicitors for the Rights Issue with Warrants and Bloomberg LP have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors for the FYE 30 June 2013, namely Messrs Ernst & Young, have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of its name, the audited consolidated financial statements of our Group for the FYE 30 June 2013 together with the auditors' report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants, namely Messrs Crowe Horwath, have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of its name, the compilation of proforma consolidated statements of financial position of our Group as at 30 June 2013 together with the report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 1 & 1A 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

i. Memorandum and Articles of Association of our Company;

ii. Audited consolidated financial statements of our Group for the past two (2) financial years up to the FYE 30 June 2013;

iii. Our latest unaudited quarterly report for the nine (9)-month FPE 31 March 2014;

iv. The compilation of the proforma consolidated statements of financial position of our Group as at 30 June 2013 together with report thereon, as set out in Appendix III of this Abridged Prospectus;

v. The irrevocable undertaking letter referred to in Section 5 of this Abridged Prospectus;

vi. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;

vii. The material contracts referred to in Section 3 of this Appendix VII;

viii. The letters of consent referred to in Section 6 of this Appendix VII; and

ix. The Deed Poll.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the NPA and the RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHBIB, being the 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.

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