

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the 1st Quarter Ended 30 September 2011

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 30/09/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010	CURRENT YEAR TO DATE 30/09/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/09/20110
	RM'000	RM'000	RM'000	RM'000
Revenue	55,176	28,033	55,176	28,033
Cost of Sales	(51,099)	(20,786)	(51,099)	(20,786)
Gross Profit	4,077	7,247	4,077	7,247
Other Income	-	10	-	10
Interest Income	602	915	602	915
Operating Expenses	(2,641)	(2,556)	(2,641)	(2,556)
Finance Costs	(4)	-	(4)	-
Profit Before Tax	2,034	5,616	2,034	5,616
Tax Expenses	(500)	(1,460)	(500)	(1,460)
Profit for the period	1,534	4,156	1,534	4,156
Profit attributable to :				
Equity holders of the parent	1,534	4,165	1,534	4,165
Non-controlling interest	-	(9)	-	(9)
	1,534	4,156	1,534	4,156
Weighted average no of shares ('000)	166,762	157,918	166,762	157,918
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	0.92	2.64	0.92	2.64
- Diluted	0.78	2.24	0.78	2.24

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 1st Quarter Ended 30 September 2011

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 30/09/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010	CURRENT YEAR TO DATE 30/09/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,534	4,156	1,534	4,156
Other comprehensive income	-	-	-	-
Total Comprehensive income:	1,534	4,156	1,534	4,156
Total comprehensive income attributable to				
Equity holders of the parent	1,534	4,165	1,534	4,165
Non-controlling interest	-	(9)	-	(9)
	1,534	4,156	1,534	4,156
Weighted average no of shares ('000)	166,762	157,918	166,762	157,918
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	0.92	2.64	0.92	2.64
- Diluted	0.78	2.24	0.78	2.24

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2011

	(Unaudited)	(Audited)
	AS AT END OF CURRENT QUARTER 9/30/2011	AS AT FINANCIAL YEAR ENDED 6/30/2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	10,342	9,960
Investment properties	1,336	1,336
Land held for property development	58,188	58,188
Intangible Assets	208	208
Trade Receivables	4,837	4,837
	74,911	74,529
Current Assets		
Trade and other receivable	61,350	48,773
Other current assets	1,101	1,322
Tax recoverable	761	151
Cash and cash equivalents	81,261	94,883
	144,473	145,129
TOTAL ASSETS	219,384	219,658
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	86,346	86,346
Share Premium	3,313	3,313
Treasury Shares	(6,764)	(5,894)
Warrant Reserves	1,251	1,251
Other Reserves	(140)	(140)
ESOS - Reserves	240	240
Retained profits	60,009	58,475
Total equity	144,255	143,591
Non-current liabilities		
Trade payables	4,743	4,743
Deferred tax liabilities	8,085	8,085
	12,828	12,828
Current Liabilities		
Trade and other payables	27,417	30,982
Other current liabilities	34,884	31,769
Taxation	-	488
	62,301	63,239
Total Liabilities	75,129	76,067
TOTAL EQUITY AND LIABILITIES	219,384	219,658
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.8666	0.8583
No of Shares issued	166,463,828	167,298,528
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 2011 and the accompanying explanatory notes attached to the interim financial statements)

FAJARBARU BUILDER GROUP BHD (281645-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

	END OF CURRENT QUARTER	END OF PRECEDING QUARTER
	9/30/2011	9/30/2010
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before tax	2,034	5,616
Adjustment for non-cash flow:-		
Depreciation	175	188
Finance costs	4	-
Interest income	(602)	(915)
Provision for Bonus	-	913
(Gain)/Loss on disposal of property, plant and equipment	-	10
Operating profit/(loss) before changes in working capital	<u>1,611</u>	<u>5,812</u>
Change in working capital		
(Increase)/Decrease in inventories	-	(1,915)
(Increase)/Decrease in receivables	(12,576)	(14,580)
Increase/(Decrease) in payables	(3,535)	44
(Increase)/Decrease in other current assets	221	-
Increase/(Decrease) in other current liabilities	3,115	-
Cash generated from/(used in) operations	<u>(11,164)</u>	<u>(10,639)</u>
Taxes paid	(1,632)	(2,459)
Net cash flow generated from/(used in) operating activities	<u>(12,796)</u>	<u>(13,098)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Profit Guarantee received	-	1,000
Interest received	602	915
Purchase of property, plant and equipment	(558)	(14)
Proceeds from disposal of property, plant and equipment	-	10
Net cash generated from investing activities	<u>44</u>	<u>1,911</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceed from issuance of ordinary shares	-	1,707
Proceeds from exercise of employee share options	-	401
Ordinary share buy back	(870)	-
Payment of Dividend	-	-
Net cash used in financing activities	<u>(870)</u>	<u>2,108</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(13,622)	(9,079)
CASH AND CASH EQUIVALENTS AT 1 JULY 2011	94,883	124,535
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER 2011	<u>81,261</u>	<u>115,456</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	18,087	46,481
Deposits with licensed banks	63,174	68,975
	<u>81,261</u>	<u>115,456</u>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

FAJARBARU BUILDER GROUP BHD (281645-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 1ST quarter ended 30 September 2011

	Attributable to equitable holders of the Company							Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Non-distributable Share Premium (RM'000)	Other reserve (RM'000)	Warrant reserve (RM'000)	Employee share option reserve (RM'000)	Distributable Retained profit (RM'000)			
Balance as at 1 July 2011	86,346	(5,894)	3,313	(140)	1,251	240	58,475	143,591	-	143,591
Income and expense items recognised directly in equity:	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	1,534	1,534	-	1,534
Dividends	-	-	-	-	-	-	-	-	-	-
Share dividends	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased	-	(870)	-	-	-	-	-	(870)	-	(870)
Issue of ordinary shares:										
- pursuant to warrant exercised	-	-	-	-	-	-	-	-	-	-
- pursuant to ESOS exercised	-	-	-	-	-	-	-	-	-	-
Share based payments:										
- grant of ESOS	-	-	-	-	-	-	-	-	-	-
- ESOS lapsed	-	-	-	-	-	-	-	-	-	-
At 30 September 2011	86,346	(6,764)	3,313	(140)	1,251	240	60,009	144,255	-	144,255
At 1 July 2010	83,105	(10,396)	10,279	(1,426)	1,426	113	50,799	133,900	16,397	150,297
Effect of adopting FRS 139	-	-	-	-	-	-	(816)	(816)	-	(816)
At 1 July 2010 as restated	83,105	(10,396)	10,279	(1,426)	1,426	113	49,983	133,084	16,397	149,481
Income and expense items recognised directly in equity:										
- share transaction costs	-	-	-	-	-	-	-	-	-	-
- profit guarantee	-	-	-	-	-	-	1,000	1,000	-	1,000
Total comprehensive income	-	-	-	-	-	-	4,165	4,165	(9)	4,156
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-	-
Share dividends	-	8,677	(8,677)	-	-	-	-	-	-	-
Treasury shares purchased	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares :										
-pursuant to warrant exercised	1,707	-	-	171	(171)	-	-	1,707	-	1,707
-pursuant to private placement	-	-	-	-	-	-	-	-	-	-
- Pursuant to Esos exercised	201	-	201	-	-	-	-	402	-	402
Share based payments:										
-grant of ESOS	-	-	13	-	-	(13)	-	-	-	-
-ESOS lapsed	-	-	-	-	-	(4)	4	-	-	-
At 30 September 2010	85,013	(1,719)	1,816	(1,255)	1,255	96	55,152	140,358	16,388	156,746

(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 2011 and the accompanying 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 interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting 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 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2011

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 2011 except for the adoption of the following new and revised standards, amendments and interpretations that are effective for financial period from 1 July 2011:

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- *Improvements to FRSs (2010)*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

The adoption of above standards, amendments and interpretation has no material impact on the financial statements to the Group.

A2 Annual report

The auditors’ report on the financial statements for the year ended 30 June 2011 was not qualified.

A3 Seasonal or cyclical factors

The operations of the Group are not subject to seasonality / cyclicity 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 30 September 2011 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 June 2011	5,392,547	5,894,478
Repurchased during the quarter	834,700	869,574
Balance as at 30 September 2011	6,227,247	6,764,052

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

A7 Dividend paid

The Company did not make any dividend payment in the current quarter under review.

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 2011.

A9 Segment reporting

The analysis of results and assets employed by activity is shown below:

	<u>Revenue</u> (RM'000)	<u>Profit Before Tax</u> (RM'000)
Construction	55,176	2,000
Investment holding	-	49
Property development	-	(15)
	<u>55,176</u>	<u>2,034</u>

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 stated under Note B9.

A11 Changes in composition of the Group

There are no changes in the composition of the Group.

A12 Capital commitments

The Group has the following commitments as at 30 September 2011:

Property, plant and equipment **RM'000**

Authorised by the Directors and contracted 63,547

A13 Changes in contingent liabilities or contingent assets

There were no changes in the contingent liabilities or assets of the Group since the last annual balance sheet to the date of this announcement.

Additional information required by the Listing Requirements of Bursa Malaysia Securities Berhad**B1 Review of performance**

	Current Quarter ended 30/09/11 (RM'000)	Preceding Year Quarter ended 30/09/10 (RM'000)
Revenue	55,176	28,033
Consolidated Profit before tax	2,034	5,616
Consolidated Profit after tax	1,534	4,156

The Group recorded higher revenue of RM55.176 million for the quarter under review compared to RM28.033 million the preceding year corresponding quarter.

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 30/09/11 (RM'000)	Preceding Quarter ended 30/06/11 (RM'000)
Revenue	55,176	55,034
Consolidated Profit before tax	2,034	2,955
Consolidated Profit after tax	1,534	2,062

The Group registered a profit before tax of RM2.034 million for the current quarter as compared to the preceding quarter profit before tax of RM2.955 million. The profit recorded in the current quarter was contributed from construction activities.

B3 Current year prospects

The Group has submitted several tenders and the Directors are confident that the Group would be able to secure some contracts.

B4 Profit forecast

Not applicable.

B5 Profit guarantee

The Official Receiver from the Jabatan Insolvensi, Wilayah Persekutuan has been appointed as liquidator for Cashrep Holdings Sdn. Bhd. and Cita Jati Sdn. Bhd., being the two other promoters of the group liable for the profit guarantee.

B6 Income tax

Income tax includes:

	Individual Quarter		Cumulative Quarter	
	3 months Ended 30.09.2011 RM'000	3 months Ended 30.09.2010 RM' 000	3 months Ended 30.09.2011 RM'000	3 months Ended 30.09.2010 RM'000
Current period's provision	500	1,460	500	1,460
Under/(Over) provision in prior years	-	-	-	-
	500	1,460	500	1,460
Deferred taxation	-	-	-	-
	500	1,460	500	1,460

The taxation charged on the Group's profit is disproportionate with the statutory tax rate mainly due to depreciation and interest not allowable for taxation purposes.

B7 Unquoted investments and properties

There were no transactions on sale of investment and / or properties.

B8 Quoted securities

There were no transactions on quoted securities for the financial period under review.

B9 Status of corporate proposals announced

There were no other corporate proposals announced during the financial period to date other than the following:

1) Proposed Private Placement

On 27 July 2011, OSK Investment Bank Berhad ("OSK"), on behalf of the Company, had announced the proposal to undertake a private placement of up to 10% of the issued and paid-up capital of the Company to investor(s) to be identified and at an issue price to be fixed later, after receipt of the approval from the relevant authorities for the Proposed Private Placement.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed by the first quarter of 2012.

Subsequently on 3 August 2011, Bursa Malaysia Securities Berhad has approved the listing and quotation of up to 20,152,460 new ordinary shares of RM0.50 each to be issued pursuant to the Proposed Private Placement.

2) **Proposed Acquisition of Land by Fajarbaru Land Sdn. Bhd.**

On 5 August 2011, OSK Investment Bank Berhad (“OSK”), on behalf of the Company, had announced that Fajarbaru Land Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 5 August 2011 entered into an option to purchase agreement with Perwira Bintang Resources Sdn Bhd for the proposed acquisition by FLSB of a piece of freehold land measuring 2.749 hectares (approximately 295,900 square feet) held under Title No. GM 1408, Lot No. 796, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur for a total cash consideration of RM39,946,500 (“Proposed Acquisition of Puchong Land”).

At the Extraordinary General Meeting of the Company held on 10 October 2011, the shareholders have approved the Proposed Acquisition of Puchong Land and a formal Sale and Purchase Agreement was entered on 17 October 2011.

Barring any unforeseen circumstances and subject fulfillment of all conditions precedent as set out in the Agreement, the Proposed Acquisition of Puchong Land is expected to be completed by the first quarter of 2012.

3) **Proposed Acquisition of Land by Wajatex Sdn. Bhd.**

On 9 August 2011, the Company had announced that Wajatex Sdn Bhd, an indirect wholly owned subsidiary of the Company, had on 9 August 2011 entered into a conditional sale and purchase agreement with Jalar Bakti Sdn Bhd for the proposed acquisition of a piece of freehold land measuring approximately 9,330.935 square meters held under Geran 5441, Lot 76, Seksyen 76, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a total cash consideration of RM23,600,000 (“Proposed Acquisition of Sentul Land”).

Barring any unforeseen circumstances and subject fulfillment of all conditions precedent as set out in the Agreement, the Proposed Acquisition of Sentul Land is expected to be completed by the fourth quarter of 2011.

B10 Borrowings

The Group does not have any borrowings during the quarter under review.

B11 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2011.

B12 Changes in material litigation

Save as disclosed below, 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:

- 1) Yap Thiam Choy v FBSB (Suit No. 52-648-98) was instituted against FBSB at the Temerloh Sessions Court on 24th August 1998 and subsequently the case was transferred to the Shah Alam Sessions Court on 16 July 2001 under Suit No : 2-52-1851-2001.

The plaintiff, Yap Thiam Choy filed a suit against FBSB for the amount of RM228,454.77 plus interest and costs in respect of floor concreting works done by the plaintiff. FBSB is counterclaiming interalia for the amount of RM42,337.10 (special damages) and Liquidated and Ascertained Damages to the amount of RM2,146,383.00. In view of FBSB's counterclaim which is more than RM250,000.00 and pursuant to FBSB's application to the Shah Alam High Court in Originating Summons 24-1801-2006, the Shah Alam High Court had on 15 January 2007 ordered that the Shah Alam Sessions Court Suit No.2-52-1851-2001 be transferred to the Shah Alam High Court. Suit No.22-1279-2009.

The plaintiff had passed away on 15 October 2009. The Plaintiff's solicitors had filed an application to discharge themselves as solicitors for the Plaintiff and had obtained an order in terms for the said application on 5 October 2011. The Court further directed that the representative for the Plaintiff to personally appear in Court on 21 October 2011. On 21 October 2011, the Plaintiff's representative had failed to attend Court for the show Cause/Case Management and therefore the learned Judge had struck out the Plaintiff's claim against FBSB with cost of RM15,000.00 to be paid to FBSB and FBSB had withdrawn their counterclaims with no order as to costs.

B13 Dividend

No dividend has been declared for the first quarter ended 30 September 2011.

B14 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 25,016,025 remaining warrants and exercise of 3,817,500 ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 30.09.2011	3 months Ended 30.09.2010	3 months Ended 30.09.2011	3 months Ended 30.09.2010
	RM'000	RM' 000	RM000	RM'000
Net profit attributable to equity holders of the Company	1,534	4,165	1,534	4,165
Weighted Average Number of shares at the end of the period ('000)	166,762	157,918	166,792	157,918
Adjusted for assumed conversion of Warrants & ESOS to shares ('000)	28,834	28,104	28,834	28,104
Adjusted number of ordinary shares in issue and issuable ('000)	195,596	186,022	195,596	186,022
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Basic earnings per share (sen)	0.92	2.64	0.92	2.64
Diluted earnings per share (sen)	0.78	2.24	0.78	2.24

B15 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:

	30 September 2011 RM'000	30 June 2011 RM'000
Total accumulated profit of the Company and it's subsidiaries		
- Realised	84,073	82,539
- Unrealised	(386)	(386)
	83,687	82,153
Less: Consolidation adjustments	23,678	23,678
Total group retained profit as per consolidated accounts	60,009	58,475

B16 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 17 November 2011.

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

Ooi Leng Chooi
Finance Director

Kuala Lumpur
17 November 2011