

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the 1st Quarter Ended 30 September 2012

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 30/09/2012	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011	CURRENT YEAR TO DATE 30/09/2012	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	32,439	55,176	32,439	55,176
Cost of Sales	(29,149)	(51,099)	(29,149)	(51,099)
Gross Profit	3,290	4,077	3,290	4,077
Other Income	511	-	511	-
Interest Income	513	602	513	602
Operating Expenses	(2,923)	(2,641)	(2,923)	(2,641)
Finance Costs	(475)	(4)	(475)	(4)
Profit Before Tax	916	2,034	916	2,034
Tax Expenses	(288)	(500)	(288)	(500)
Profit for the period	628	1,534	628	1,534
Profit attributable to :				
Equity holders of the parent	628	1,534	628	1,534
Non-controlling interest	-	-	-	-
	628	1,534	628	1,534
Weighted average no of shares ('000)	187,954	166,762	187,954	166,762
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	0.33	0.92	0.33	0.92
- Diluted	0.29	0.78	0.29	0.78

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year 30 June 2012 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 2012

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 30/09/2012	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2011	CURRENT YEAR TO DATE 30/09/2012	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	628	1,534	628	1,534
Other comprehensive income	-	-	-	-
Total Comprehensive income:	628	1,534	628	1,534
Total comprehensive income attributable to				
Equity holders of the parent	628	1,534	628	1,534
Non-controlling interest	-	-	-	-
	628	1,534	628	1,534
Weighted average no of shares ('000)	187,954	166,762	187,954	166,762
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	0.33	0.92	0.33	0.92
- Diluted	0.29	0.78	0.29	0.78

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	(Unaudited)	(Audited)
	AS AT END OF CURRENT QUARTER 30/09/2012	AS AT FINANCIAL YEAR ENDED 30/06/2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	13,715	12,967
Investment properties	803	1,331
Land held for property development	123,004	122,983
Intangible Assets	208	208
Trade Receivables	87	87
	137,817	137,576
Current Assets		
Inventory	488	-
Trade and other receivable	33,291	33,844
Other current assets	956	1,528
Tax recoverable	1,947	1,741
Cash and bank balances	77,885	74,212
	114,567	111,325
TOTAL ASSETS	252,384	248,901
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	94,492	94,474
Share Premium	3,628	3,628
Treasury Shares	(1,117)	(1,117)
Warrant Reserves	1,194	1,196
Other Reserves	(83)	(85)
ESOS - Reserves	97	97
Retained profits	38,065	37,437
TOTAL EQUITY	136,276	135,630
Non-current liabilities		
Trade and other payables	5,420	5,420
Deferred tax liabilities	918	630
Loans and borrowings	45,782	45,782
	52,120	51,832
Current Liabilities		
Trade and other payables	51,740	49,177
Other current liabilities	10,000	10,000
Taxation	150	164
Loans and borrowings	2,098	2,098
	63,988	61,439
TOTAL LIABILITIES	116,108	113,271
TOTAL EQUITY AND LIABILITIES	252,384	248,901
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7250	0.7217
No of Shares issued	187,956,041	187,919,941
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 2012 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2012

	END OF CURRENT QUARTER	END OF PRECEDING QUARTER
	30/09/2012	30/09/2011
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	916	2,034
Adjustment for :		
Depreciation on property, plant and equipment	382	175
Depreciation on investment properties	1	-
Gain on disposal of property, plant and equipment	(45)	-
Gain on disposal of investment property	(223)	-
Interest income	(513)	(602)
Finance costs	475	4
Operating profit before working capital changes	993	1,611
Change in working capital		
(Increase)/Decrease in inventories	(488)	-
(Increase)/Decrease in receivables	585	(12,576)
Increase/(Decrease) in payables	2,562	(3,535)
(Increase)/Decrease in other current assets	572	221
Increase/(Decrease) in other current liabilities	-	3,115
Cash generated from/(used in) operations	4,224	(11,164)
Taxes paid	(264)	(1,632)
Taxes refund	45	-
Net cash flow generated from/(used in) operating activities	4,005	(12,796)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	480	602
Proceeds from disposal of property, plant and equipment	45	-
Proceeds from disposal of investment property	750	-
Purchase of property, plant and equipment	(1,130)	(558)
Purchase of land held for propret development	(20)	-
Net cash generated from investing activities	125	44
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Finance cost paid	(475)	-
Proceed from issuance of ordinary shares, net of transaction cost	18	-
Ordinary share buy back	-	(870)
Net cash (used in)/generated from financing activities	(457)	(870)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALEN	3,673	(13,622)
CASH AND CASH EQUIVALENTS AT 1 JULY 2012	74,212	94,883
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER 2012	77,885	81,261
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	57,294	18,087
Deposits with licensed banks	20,591	63,174
	77,885	81,261

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 1st Quarter Ended 30 September 2012

	Attributable to equitable holders of the Company							Total (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)	
At 1 July 2012	94,474	(1,117)	3,628	(85)	1,196	97	37,437	135,630
Income and expense items recognised directly in equity:	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	628	628
Issue of ordinary shares: - pursuant to warrant exercised	18	-	-	2	(2)	-	-	18
At 30 September 2012	<u>94,492</u>	<u>(1,117)</u>	<u>3,628</u>	<u>(83)</u>	<u>1,194</u>	<u>97</u>	<u>38,065</u>	<u>136,276</u>
At 1 July 2010	86,346	(5,894)	3,313	(140)	1,251	240	58,475	143,591
Income and expense items recognised directly in equity:	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	1,534	1,534
Transactions with owners Treasury shares purchased	-	(870)	-	-	-	-	-	(870)
At 30 September 2011	<u>86,346</u>	<u>(6,764)</u>	<u>3,313</u>	<u>(140)</u>	<u>1,251</u>	<u>240</u>	<u>60,009</u>	<u>144,255</u>

(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 2012 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 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 2012. 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 2012

Since the issue of the previous annual audited financial statements as at 30 June 2012, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the MASB with effect from 1 July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. Whilst all FRS’s issued under the previous FRS framework were equivalent to the MFRS’s issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRS’s.

These consolidated condensed interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 30 June 2013 and hence MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied. The transition from FRS to MFRS has no material impact on the statement of financial position and statement of cash flows.

A2 Annual report

The auditors’ report on the financial statements for the year ended 30 June 2012 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 2012 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 June 2012	1,028,064	1,116,581
Repurchased during the quarter	-	-
Distribution of Share Dividend	-	-
Balance as at 30 September 2012	1,028,064	1,116,581

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 paid 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 2012.

A9 Segmental reporting

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

Period ended 30.09.12	Property development RM'000	Construction RM'000	Investment holding RM'000	Adjustment and Eliminations RM'000	Total RM'000
<u>Revenue</u>					
External Sales	-	32,439	-	-	32,439
Inter-segment sales	-	92	661	(753)	-
Total revenue	-	32,531	661	(753)	32,439
<u>Results</u>					
Profit/(Loss) from operation	(36)	1,098	329	-	1,391
Finance costs	(466)	(9)	-	-	(475)
Profit/(Loss) before tax	(502)	1,089	329	-	916
<u>Total assets</u>					
Segment assets/ Consolidated total assets	99,615	151,138	135,564	(133,933)	252,384

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.

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 2012:

Property, plant and equipment	RM'000
Authorised by the Directors and contracted	1,400

A13 Changes in contingent liabilities

	Company	
	As at 30.09.12	As at 30.06.12
	RM'000	RM'000
Unsecured corporate guarantees given to third parties for:-		
- supply of goods to subsidiaries	-	-
- banking facilities granted to subsidiaries	146,743	122,875

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 30/09/12 (RM'000)	Preceding Year Quarter ended 30/09/11 (RM'000)
Revenue	32,439	55,176
Consolidated Profit before tax	916	2,034
Consolidated Profit after tax	628	1,534

Construction Segment

The Group recorded a lower revenue of RM32.44 million and a pre-tax profit of RM0.92 million in the current quarter ended 30 September 2012 as compared to a revenue of RM55.18 million and a pre-tax profit of RM2.03 million reported in the preceding year corresponding quarter.

The lower revenue recorded in the current quarter was due to deferment in site possession on 2 awarded projects.

Other Segments

For the quarter under review, other segments in the Group which consist of property and investment holding, continued to be inactive to the Group in term of revenue contributions except for the other income of RM243,180 recorded by the property segment.

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 30/09/12 (RM'000)	Preceding Quarter ended 30/06/12 (RM'000)
Revenue	32,439	8,334
Consolidated Profit before tax	916	(27,206)
Consolidated Profit after tax	628	(20,134)

For the current quarter ended 30 September 2012 under review, the Group registered a revenue of RM32.44 million and a pre-tax profit of RM0.92 million as compared to revenue and pre-tax loss of RM8.33 million and RM27.21 million respectively in the preceding quarter ended 30 June 2012.

In the current quarter, the Group recorded an increase of 289.24 % in revenue. It was attributed by the contribution from construction activities of the on-going projects and the 2 awarded projects which were delay in handover of full work area in the previous quarter.

B3 **Current year prospects**

The Group will continue to focus on its main core business activities 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.

The Group has broadened its business activities from construction into property development activities. The development activities are expected to be launched during the current financial year once approvals are obtained from the relevant authorities and this would contribute positively to the Group's profits.

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 30.09.2012 RM'000	3 months Ended 30.09.2011 RM' 000	3 months Ended 30.09.2012 RM'000	3 months Ended 30.09.2011 RM'000
Current period's provision	-	500	-	500
Under/(Over) provision in prior years	-	-	-	-
Deferred taxation	288	-	288	-
	288	500	288	500

No taxation charged on the Group's profit mainly due to utilization of unabsorbed losses available.

B7 Status of corporate proposals announced

There were no corporate proposals announced during the financial period to date.

B8 Borrowings

The tenure of the Group borrowings classified as follows:-

	As at 30.09.2012 RM'000	As at 30.09.2011 RM'000
<u>Secured</u>		
Short Term	2,098	-
Long Term	45,782	-
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	47,880	-
	=====	=====

The Group borrowings are all denominated in Ringgit Malaysia.

B9 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2012.

B10 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.

B11 Dividend

No dividend has been declared for the first quarter ended 30 September 2012.

B12 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 23,890,995 remaining warrants and exercise of 4,449,000 ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 30.09.2012	3 months Ended 30.09.2011	12 months Ended 30.09.2012	12 months Ended 30.09.2011
	RM'000	RM' 000	RM000	RM'000
Net profit attributable to equity holders of the Company	628	1,534	628	1,534
Weighted Average Number of shares at the end of the period ('000)	187,954	166,762	187,954	166,762
Weighted Average Number of shares of conversion of Warrants & ESOS to shares ('000)	28,340	28,834	28,340	28,834
Adjusted number of ordinary shares in issue and issuable ('000)	216,294	195,592	216,294	195,596
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Basic earnings per share (sen)	0.33	0.92	0.33	0.92
Diluted earnings per share (sen)	0.29	0.78	0.29	0.78

B13 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 30 September 2012 RM'000	As at End of Preceding Financial Year 30 June 2012 RM'000
Total accumulated profit of the Company and it's subsidiaries		
- Realised	61,901	61,744
- Unrealised	(918)	(630)
	60,983	61,114
Less: Consolidation adjustments	22,918	23,678
Total group retained profit as per consolidated accounts	38,065	37,436

B14 **Profit before taxation**

	Current Year Quarter 30/09/2012 RM'000 Unaudited	Current Year To-date 30/09/2012 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(513)	(513)
Other income - Rental	(243)	(243)
Gain on disposal of property, plant & equipment	(45)	(45)
Depreciation	383	383
Interest expense	466	466
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	(233)	(233)
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

B15 **Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 2 November 2012.

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

Ooi Leng Chooi
Finance Director

Kuala Lumpur
2 November 2012