

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the 2nd Quarter Ended 31st December 2012

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 31/12/2012	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011	CURRENT YEAR TO DATE 31/12/2012	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	37,742	51,804	70,181	106,980
Cost of Sales	(33,920)	(47,548)	(63,068)	(98,647)
Gross Profit	3,822	4,256	7,113	8,333
Other Income	243	22	754	22
Interest Income	497	509	1,010	1,111
Operating Expenses	(3,022)	(3,012)	(5,946)	(5,653)
Finance Costs	(579)	(23)	(1,054)	(27)
Profit Before Tax	961	1,752	1,877	3,786
Tax Expenses	(235)	(512)	(522)	(1,012)
Profit for the period	726	1,240	1,355	2,774
Profit attributable to :				
Equity holders of the parent	726	1,240	1,355	2,774
Non-controlling interest	-	-	-	-
	726	1,240	1,355	2,774
Weighted average no of shares ('000)	187,956	166,515	187,955	166,639
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	0.39	0.74	0.72	1.66
- Diluted	0.34	0.65	0.64	1.45

(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 2nd Quarter Ended 31st December 2012

	Individual Quarter		Cumulative Quarter	
	CURRENT YEAR QUARTER 31/12/2012	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2011	CURRENT YEAR TO DATE 31/12/2012	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	726	1,240	1,355	2,774
Other comprehensive income	-	-	-	-
Net gain on other investment	-	-	-	-
- Gain on fair value changes	2,343	-	2,343	-
Total Comprehensive income:	3,069	1,240	3,698	2,774
Total comprehensive income attributable to				
Equity holders of the parent	3,069	1,240	3,698	2,774
Non-controlling interest	-	-	-	-
	3,069	1,240	3,698	2,774
Weighted average no of shares ('000)	187,956	166,515	187,955	166,639
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	0.39	0.74	0.72	1.66
- Diluted	0.34	0.65	0.64	1.45

(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 31 DECEMBER 2012**

	(Unaudited)	(Audited)
	AS AT END OF CURRENT QUARTER 31/12/2012	AS AT FINANCIAL YEAR ENDED 30/06/2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	13,605	12,967
Investment properties	803	1,331
Land held for property development	123,004	122,983
Other Investment	10,250	-
Intangible Assets	208	208
Trade Receivables	87	87
	147,957	137,576
Current Assets		
Inventory	2,159	-
Trade and other receivable	42,920	33,844
Other current assets	2,461	1,528
Tax recoverable	2,197	1,741
Cash and bank balances	54,501	74,212
	104,238	111,325
TOTAL ASSETS	252,195	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	(1,123)	(1,117)
Warrant Reserves	1,194	1,196
Other Reserves	(83)	(85)
ESOS - Reserves	-	97
Fair Value Reserves	2,343	-
Retained profits	38,888	37,437
TOTAL EQUITY	139,339	135,630
Non-current liabilities		
Trade and other payables	5,420	5,420
Deferred tax liabilities	1,153	630
Loans and borrowings	45,782	45,782
	52,355	51,832
Current Liabilities		
Trade and other payables	48,525	49,177
Other current liabilities	10,000	10,000
Taxation	140	164
Loans and borrowings	1,836	2,098
	60,501	61,439
TOTAL LIABILITIES	112,856	113,271
TOTAL EQUITY AND LIABILITIES	252,195	248,901
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7413	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 2ND QUARTER ENDED 31 DECEMBER 2012

	END OF CURRENT QUARTER	END OF PRECEDING QUARTER
	31/12/2012	31/12/2011
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	1,877	3,786
Adjustment for :		
Depreciation on property, plant and equipment	768	353
Depreciation on investment properties	1	-
Gain on disposal of property, plant and equipment	(45)	-
Gain on disposal of investment property	(223)	-
Interest income	(1,010)	(1,111)
Finance costs	1,054	27
Operating profit before working capital changes	2,422	3,055
Change in working capital		
(Increase)/Decrease in inventories	(2,159)	-
(Increase)/Decrease in receivables	(9,019)	(11,471)
Increase/(Decrease) in payables	(652)	1,789
(Increase)/Decrease in other current assets	(933)	1,291
Increase/(Decrease) in other current liabilities	-	(12,211)
Cash generated from/(used in) operations	(10,342)	(17,547)
Taxes paid	(524)	(2,339)
Taxes refund	45	-
Net cash flow generated from/(used in) operating activities	(10,821)	(19,886)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	952	1,111
Proceeds from disposal of property, plant and equipment	45	-
Proceeds from disposal of investment property	750	-
Purchase of property, plant and equipment	(1,405)	(646)
Purchase of investment properties	-	(24,270)
Purchase of investment securities	(7,907)	-
Purchase of land held for propret development	(21)	-
Net cash generated from investing activities	(7,586)	(23,805)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Finance cost paid	(1,054)	(27)
Proceed from issuance of ordinary shares, net of transaction cost	18	45
Acquisition of treasury shares	(7)	-
Ordinary share buy back	-	(874)
Repayment of loans and borrowings	(262)	-
Drawdown of borrowings	-	18,880
Net cash (used in)/generated from financing activities	(1,305)	18,024
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALEN'	(19,711)	(25,667)
CASH AND CASH EQUIVALENTS AT 1 JULY 2012	74,212	94,883
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2012	54,501	69,216
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	33,691	51,695
Deposits with licensed banks	20,809	17,521
	54,501	69,216

(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)

FAJARBARU BUILDER GROUP BHD (281645-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 2nd Quarter Ended 31st December 2012

	Attributable to equitable holders of the Company							Retained profit (RM'000)	Total (RM'000)
	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)		
At 1 July 2012	94,474	(1,117)	3,628	(85)	1,196	97	-	37,437	135,630
Total comprehensive income for the year	-	-	-	-	-	-	2,343	1,355	3,698
Treasury shares purchased	-	(7)	-	-	-	-	-	-	(7)
Issue of ordinary shares:									
- pursuant to warrant exercised	18	-	-	2	(2)	-	-	-	18
Share based payments:	-	-	-	-	-	-	-	-	-
- ESOS lapsed	-	-	-	-	-	(97)	-	97	-
At 31 December 2012	94,492	(1,123)	3,628	(83)	1,194	(0)	2,343	38,888	139,339
At 1 July 2011	86,346	(5,894)	3,313	(140)	1,251	240	-	58,475	143,590
Effect of adopting FRS 139	-	-	-	-	-	-	-	-	-
At 1 July 2011	86,346	(5,894)	3,313	(140)	1,251	240	-	58,475	143,591
Total comprehensive income	-	-	-	-	-	-	-	2,774	2,774
Transactions with owners									
Treasury shares purchased	-	(875)	-	-	-	-	-	-	(875)
Issue of ordinary shares:									
- pursuant to warrant exercised	44	-	-	5	(5)	-	-	-	44
Share based payments:	-	-	-	-	-	(240)	-	240	-
- ESOS lapsed	-	-	-	-	-	-	-	-	-
At 31 December 2011	86,390	(6,769)	3,313	(135)	1,246	0	-	61,489	145,534

(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 31 December 2012 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 30 September 2012	1,028,064	1,116,581
Repurchased during the quarter	10,000	6,887
Distribution of Share Dividend	-	-
Balance as at 31 December 2012	1,038,064	1,123,468

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 2012.

A9 Segmental reporting

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

Period ended 31.12.12	Property development RM'000	Construction RM'000	Investment holding RM'000	Adjustment and Eliminations RM'000	Total RM'000
<u>Revenue</u>					
External Sales	-	70,181	-	-	70,181
Inter-segment sales	-	409	819	(1,228)	-
Total revenue	-	70,590	819	(1,228)	70,181
<u>Results</u>					
Profit/(Loss) from operation	(9)	2,647	293	-	2,931
Finance costs	(1,037)	(18)	-	-	(1,054)
Profit/(Loss) before tax	(1,046)	2,630	293	-	1,877
<u>Total assets</u>					
Segment assets/ Consolidated total assets	100,507	142,468	137,830	(128,608)	252,196

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 31 December 2012:

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

A13 Changes in contingent liabilities

	Company	
	As at 31.12.12	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	177,727	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 31/12/2012 (RM'000)	Preceding Year Quarter ended 31/12/2011 (RM'000)
Revenue	37,742	51,804
Consolidated Profit before tax	961	1,752
Consolidated Profit after tax	726	1,240

Construction Segment

The Group recorded a lower revenue of RM37.74 million and a pre-tax profit of RM0.96 million in the current quarter ended 31 December 2012 as compared to a revenue of RM51.8 million and a pre-tax profit of RM1.8 million reported in the preceding year corresponding quarter.

The lower revenue recorded in the current quarter as compared to the preceding year corresponding quarter was due to the two projects which were deferred in site possession in the previous quarter have just recently commence its progress.

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 RM486,360 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 31/12/2012 (RM'000)	Preceding Quarter ended 30/09/2012 (RM'000)
Revenue	37,742	32,439
Consolidated Profit before tax	961	916
Consolidated Profit after tax	726	628

For the current quarter ended 31 December 2012 under review, the Group registered a revenue of RM37.74 million and a pre-tax profit of RM0.96 million as compared to revenue and pre-tax profit of RM32.4 million and RM0.9 million respectively in the preceding quarter ended 30 September 2012.

In the current quarter, the Group recorded an increase of approximately 16% in revenue. It was attributed by the contribution from the construction activities of the on-going projects and the commencement of two projects which were deferred in site possession 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	3 months ended	6 months ended	6 months ended
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Current period's provision	-	512	-	1,012
Under / (Over) provision for the prior years	-	-	-	-
	-	512	-	1,012
Deferred taxation	235	-	522	-
	235	512	522	1,012

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

B7 Purchase or disposal of Quoted Securities

There were purchases of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 31 December 2012 were as follows :

	RM'000
At cost	7,907
At market value	10,250

B8 Status of corporate proposals announced

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

B9 Borrowings

The tenure of the Group borrowings classified as follows:-

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
<u>Secured</u>		
Short Term	1,836	-
Long Term	45,782	-
	----- 47,618 =====	----- - =====

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 December 2012.

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 December 2012.

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 23,890,995 remaining warrants into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31.12.2012 RM'000	3 months Ended 31.12.2011 RM' 000	6 months Ended 31.12.2012 RM000	6 months Ended 31.12.2011 RM'000
Net profit attributable to equity holders of the Company	726	1,240	1,355	2,774
Weighted Average Number of shares at the end of the period ('000)	187,956	166,515	187,955	166,639
Weighted Average Number of shares of conversion of Warrants to shares ('000)	23,891	24,926	23,891	24,926
Adjusted number of ordinary shares in issue and issuable ('000)	211,847	191,441	211,846	191,565
Nominal value of share (RM)	0.50	0.50	0.50	0.50
Basic earnings per share (sen)	0.39	0.74	0.72	1.66
Diluted earnings per share (sen)	0.34	0.65	0.64	1.45

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 31/12/2012 RM'000	As at End of Preceding Financial Year 30/06/2012 RM'000
Total accumulated profit of the Company and it's subsidiaries		
- Realised	62,961	61,744
- Unrealised	(1,153)	(630)
	61,808	61,114
Less: Consolidation adjustments	22,919	23,677
Total group retained profit as per consolidated accounts	38,888	37,437

B15 Profit before taxation

	Current Year Quarter 31/12/2012 RM'000 Unaudited	Current Year To-date 31/12/2012 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(497)	(1,010)
Other income - Rental	(243)	(486)
Gain on disposal of property, plant & equipment	-	(45)
Depreciation	385	769
Interest expense	570	1,037
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)
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 26 February 2013.

By Order of the Board

Fajarbaru Builder Group Bhd (281645-U)

Ooi Leng Chooi
Finance Director

Kuala Lumpur
26 February 2013