

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the 3rd Quarter Ended 31 March 2018

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2018	Preceding Year Corresponding Quarter 31/03/2017	Changes	Current Year To Date 31/03/2018	Preceding Year Corresponding Period 31/03/2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	98,577	198,896	-50	336,766	323,453	4
Cost of Sales	(73,656)	(132,648)	-44	(246,249)	(224,586)	10
Gross Profit	24,921	66,248	-62	90,517	98,867	-8
Other Income	3,500	269		5,598	2,378	
Interest Income	282	587		827	1,371	
Operating Expenses	(11,996)	(8,683)		(39,872)	(21,766)	
Finance Costs	(840)	(1,026)		(2,289)	(2,429)	
Share of results of associates	29	-		865	(21)	
Profit Before Tax	15,896	57,395	-72	55,646	78,400	-29
Tax Expenses	(4,398)	(12,612)		(15,621)	(19,441)	
Profit for the period	11,498	44,783	-74	40,025	58,959	-32
Profit attributable to :						
Owners of the Company	5,637	22,199	-75	17,607	28,769	-39
Non-controlling interest	5,861	22,584	-74	22,418	30,190	-26
	11,498	44,783	-74	40,025	58,959	-32
Weighted average no. of shares ('000)	372,344	361,706		369,248	361,679	
Earnings per share attributable to Owners of the Company (sen)						
- Basic	1.51	6.14		4.77	7.95	
- Diluted	1.15	4.52		3.60	5.85	

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 3rd Quarter Ended 31 March 2018

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2018	Preceding Year Corresponding Quarter 31/03/2017	Changes	Current Year To Date 31/03/2018	Preceding Year Corresponding Period 31/03/2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the period	11,498	44,783	-74	40,025	58,959	-32
Other comprehensive income :						
Net gain on other investment						
- Gain/(loss) on fair value changes	3,532	394		5,090	(788)	
Foreign currency translation						
- Gain/(loss) on currency translation	(1,899)	(439)		(3,199)	(976)	
Total Comprehensive income	13,131	44,738	-71	41,916	57,195	-27
Total comprehensive income attributable to :						
Owners of the Company	8,201	22,368	-63	21,066	27,483	-23
Non-controlling interest	4,930	22,370	-78	20,850	29,712	-30
	13,131	44,738	-71	41,916	57,195	-27

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	(Unaudited) As At End Of Current Quarter 31/03/2018 RM'000	(Audited) As At Financial Year Ended 30/06/2017 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	57,551	40,348
Investment properties	44,081	44,081
Investment securities	14,525	5,519
Investment in associates	865	-
Intangible assets	208	208
Other receivables & prepayments	20,336	25,409
Goodwill	7	7
Deferred tax assets	2,663	2,760
	140,236	118,332
Current assets		
Inventories	127,836	158,869
Trade receivables	75,152	85,424
Other receivables	47,442	35,911
Amount owing by contract customers	28,964	21,785
Tax recoverable	344	106
Derivation assets	-	111
Amount due from associates	37,984	14,913
Short-term investments	5,570	5,432
Fixed deposits with licensed banks	11,669	11,070
Cash and bank balances	61,614	65,389
	396,575	399,010
TOTAL ASSETS	536,811	517,342
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	194,275	189,677
Treasury shares	(1,141)	(1,141)
Warrant reserves	7,674	7,674
Other reserves	1,110	1,110
ESOS - Reserves	2,628	1,413
Fair value reserves	2,702	(2,388)
Foreign currency translation reserves	(2,726)	(1,095)
Retained profits	83,405	71,340
Equity attributable to owners of the Company	287,927	266,590
Non-Controlling interests	31,097	52,132
TOTAL EQUITY	319,024	318,722
Non-current liabilities		
Deferred tax liabilities	7,393	7,393
Loans and borrowings	58,109	33,791
	65,502	41,184
Current liabilities		
Loans and borrowings	22,361	18,226
Trade payables	58,116	58,352
Other payables	22,004	39,846
Bank overdrafts	-	2,940
Amount owing to contract customers	19,299	11,182
Provision of taxation	18,209	14,563
Provision	12,296	12,327
	152,285	157,436
TOTAL LIABILITIES	217,787	198,620
TOTAL EQUITY AND LIABILITIES	536,811	517,342
Net assets per share attributable to owners of the Company (RM)	0.7724	0.7282
No. of Shares issued (net of treasury shares)	372,772,864	366,075,864

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 31 MARCH 2018**

	End of Current Quarter	End of Preceding Corresponding Quarter
	31/03/2018	31/03/2017
	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	55,646	78,400
Adjustment for :		
Depreciation on property, plant and equipment	8,619	1,077
Grant of equity-settled share options to employee	1,795	1,795
(Gain) / Loss on disposal of property, plant and equipment	187	(24)
Reversal of impairment loss on trade receivables	(3,328)	(2,000)
Interest income	(827)	(1,371)
Finance costs	2,289	2,429
Share of results of associates	(865)	21
(Gain) / Loss on foreign exchange rate	(762)	-
Unrealise (gain) / loss on foreign exchange differences	3,206	(3,572)
Write off of property, plant and equipment	313	-
Net fair value gains on derivation	(73)	-
Operating profit before working capital changes	66,200	76,755
Change in working capital		
(Increase)/Decrease in inventories	31,259	18,514
(Increase)/Decrease in receivables	3,830	(32,990)
Increase/(Decrease) in payables	(20,702)	(10,644)
Decrease/(Increase) in amounts owing by/to contract customers	937	-
Cash generated from / (used in) operations	81,524	51,635
Taxes paid	(10,764)	(13,767)
Interest paid	(2,673)	(4,275)
Net cash flow (used in)/ generated from operating activities	68,087	33,593
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest received	791	1,315
Net cash outflow for acquisition of associates	-	(21)
Proceeds from disposal of property, plant and equipment	35	24
Purchase of property, plant and equipment	(24,999)	(9,421)
Purchase of investment securities	(3,915)	-
Advance to associates	(23,072)	(14,913)
Net cash generated from / (used in) investing activities	(51,160)	(23,016)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Finance cost paid	(131)	(103)
Dividends paid on ordinary shares	(5,542)	(4,521)
Dividend paid by subsidiary to non controlling interest	(38,444)	(2,450)
Acquisition of treasury shares	-	(3)
Proceeds from exercise of employee share options	4,018	258
Repayment of loans and borrowings	(98,618)	(116,544)
Repayment of hire purchase	(579)	(312)
Drawdown of borrowings	126,822	80,947
Net cash generated from / (used in) financing activities	(12,474)	(42,728)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,453	(32,151)
Effect of exchange rate changes on cash and cash equivalents	(4,551)	(978)
CASH AND BANK BALANCES AS AT 1 JULY	78,951	89,509
CASH AND BANK BALANCES AS AT 31 MARCH	78,853	56,380
Less : Fixed deposit under lien	(11,669)	(18,626)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	67,184	37,754

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 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 3rd Quarter Ended 31 March 2018

	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)	Foreign exchange translation reserve (RM'000)	Retained profit (RM'000)	Attributable to Owners of the Company (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
As at 1 July 2017	189,677	(1,141)	-	1,110	7,674	1,413	(2,388)	(1,095)	71,340	266,590	52,132	318,722
Total comprehensive income for the year	-	-	-	-	-	-	5,090	(1,631)	17,607	21,066	20,850	41,916
Dividends	-	-	-	-	-	-	-	-	(5,542)	(5,542)	(41,885)	(47,427)
Share based payments:												
- grant of ESOS	4,598	-	-	-	-	1,215	-	-	-	5,813	-	5,813
As at 31 March 2018	194,275	(1,141)	-	1,110	7,674	2,628	2,702	(2,726)	83,405	287,927	31,097	319,024
As at 1 July 2016	181,366	(1,138)	5,280	1,110	7,674	-	(1,205)	(47)	37,069	230,109	25,702	255,811
Total comprehensive income for the year	-	-	-	-	-	-	(788)	(498)	28,769	27,483	29,712	57,195
Transactions with owners												
Dividends	-	-	-	-	-	-	-	-	(4,521)	(4,521)	(2,450.00)	(6,971)
Treasury shares purchased	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Share based payments:												
- grant of ESOS	215	-	101	-	-	1,737	-	-	-	2,053	-	2,053
Adjustment for effects of companiew Act 2016	5,381	-	(5,381)	-	-	-	-	-	-	-	-	-
As at 31 March 2017	186,962	(1,141)	-	1,110	7,674	1,737	(1,993)	(545)	61,317	255,121	52,964	308,085

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the Interim Financial Report

A1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The unaudited interim financial report should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 30 June 2017.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2017. The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 July 2017 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Annual Improvements to MFRS 12 ‘Disclosures of Interests in Other Entities’ (Effective from 1 January 2017)
- Amendments to MFRS107 ‘Statement of Cash Flows – Disclosure Initiative’ (effective from 1 January 2017)
- Amendments to MFRS112 ‘Income Taxes- Recognition of Deferred Tax Assets for Unrealised Losses’ (effective from 1 January 2017)

Standards, amendments to published standards and interpretations that have been issued but not yet effective:

Effective for financial periods beginning on or after 1 January 2018:

- MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments
- MFRS128 Investments in Associates and Joint Ventures
- IC Interpretation 22 ‘Foreign Currency Transactions and Advance Consideration’

Effective for financial periods beginning on or after 1 January 2019:

- IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’
- MFRS 16 Leases

Management is currently assessing the impact arising from the initial application of these standards on the financial statements of the Group.

A2 Changes of accounting policies

The significant accounting policies adopted in preparing these consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2017.

Malaysian Accounting Standards Board (“MASB”) has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called “Transitioning Entities”).

On 8 September 2015, the Malaysian Accounting Standards Board (‘MASB’) announced that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRSs) will also be deferred to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined by the MASB, the Group has elected to continue to apply the FRS Framework up until its financial year ending 30 June 2018 and will adopt the MFRS Framework that were issued by the MASB for the financial year ending 30 June 2019.

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 Significant related party transactions

There were no significant related party transactions during the financial period under review.

A7 Movement in debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review other than the exercise of Employee's Share Option Scheme (ESOS) of 1,215,000 shares.

The details of shares held as treasury shares for the period ended 31 March 2018 are as follow:

	Number of Treasury shares	Total Considerations RM
Balance as at 31 December 2017	1,070,164	1,141,028
Repurchased during the quarter	-	-
Balance as at 31 March 2018	1,070,164	1,141,028

The shares purchased are being held as treasury shares in accordance with Section 127 (16) of the Companies Act, 2016.

A8 Dividend paid

There were no dividend paid during the current quarter.

A9 Carrying Amount of revalued property, plant and equipment

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 June 2017.

A10 Segmental reporting

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

9 months ended 31.03.18	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Adjustment and Eliminations RM'000	Total RM'000
<u>Revenue</u>								
External Sales	152,795	112,197	59,407	8,121	616	-	3,630	336,766
Inter-segment sales	18,530	-	-	16,797	-	54,658	(89,985)	-
Total revenue	171,325	112,197	59,407	24,918	616	54,658	(86,355)	336,766
<u>Results</u>								
Profit/(Loss) from operation	626	114,974	1,367	84	(29)	47,185	(107,137)	57,070
Finance costs	(2,119)	(23)	(103)	(27)	(17)	-	-	(2,289)
Share of results in associates	-	865	-	-	-	-	-	865
Profit/(Loss) before tax	(1,493)	115,816	1,264	57	(46)	47,185	(107,137)	55,646
<u>Total assets</u>								
Segment assets/								
Consolidated total assets	318,749	95,302	163,113	17,467	771	311,509	(370,100)	536,811

A10 Segmental reporting (cont'd)

9 months ended 31.03.17	Construction RM'000	Logging and timber trading RM'000	Property development RM'000	Trading RM'000	Logistic RM'000	Investment holding RM'000	Adjustment and Eliminations RM'000	Total RM'000
Revenue								
External Sales	91,332	92,198	138,025	1,382	516	-	-	323,453
Inter-segment sales	4,955	-	-	238	-	796	(5,989)	-
Total revenue	96,287	92,198	138,025	1,620	516	796	(5,989)	323,453
Results								
Profit/(Loss) from operation	(1,202)	55,373	39,604	(499)	86	438	(12,950)	80,850
Finance costs	(261)	(23)	(2,128)	(4)	(13)	-	-	(2,429)
Share of results in associates	-	-	-	-	-	(21)	-	(21)
Profit/(Loss) before tax	(1,463)	55,350	37,476	(503)	73	417	(12,950)	78,400
Total assets								
Segment assets/								
Consolidated total assets	253,749	4,210	247,068	263,528	1,082	116,341	(338,961)	547,017

A11 Events subsequent to the balance sheet date

On 10 April 2018, the Company announced on the acquisition by Fajarbaru Land (M) Sdn Bhd (formerly known as Fajarbaru Properties Sdn Bhd), a wholly-owned subsidiary of the Company, of 98 ordinary shares at AUD\$1.00 each fully paid up in Beulah Northcote Land Pty Ltd ("BNL"), representing 49% of the entire issued share capital in BNL, for a purchase consideration of AUD\$98.00 and subscribe additional of 2,988,902 new ordinary shares at AUD\$1.00 each fully paid in BNL, representing 49% of the total increase issued share capital of AUD\$6,099,800.00 in BNL for a consideration of AUD\$2,988,902.00.

A12 Changes in composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

A13 Capital commitments

The outstanding commitments in respect of capital expenditure at the quarter under review provided for in the financial statements are as follows :

<u>Property, Plant & Equipment</u>	31 March 2018 RM'000
Approved and contracted for	
- Denominated in RM	598

A14 Changes in contingent liabilities

	The Group		The Company	
	As at 31.03.18 RM'000	As at 30.06.17 RM'000	As at 31.03.18 RM'000	As at 30.06.17 RM'000
Performance and tender bond granted to contract customers	47,444	70,515	-	-

B Bursa Securities Listing Requirements (Part A of Appendix 9B)

B1 Review of performance

	Individual Period (3rd quarter)			Cumulative Period		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter 31/03/2018 (RM'000)	Corresponding Quarter 31/03/2017 (RM'000)	(%)	To-date 31/03/2018 (RM'000)	Corresponding Period 31/03/2017 (RM'000)	(%)
Revenue	98,577	198,896	-50	336,766	323,453	4
Profit from operation	16,706	58,421	-71	57,069	80,850	-29
Profit before interest and tax	16,736	58,421	-71	57,935	80,829	-28
Profit before tax	15,896	57,395	-72	55,646	78,400	-29
Profit after tax	11,498	44,783	-74	40,025	58,959	-32
Profit attributable to Owners of the Company	5,637	22,199	-75	17,607	28,769	-39

During the current quarter, the Group recorded a lower revenue of RM98.6 million as compared to RM198.9 million in the preceding year corresponding quarter. The Group's profit before tax decreased to RM15.9 million as compared to RM57.4 million in the preceding year corresponding quarter. The lower revenue and profit before tax during the current quarter were mainly due to decrease in revenue and profit recognition in the Property Development segment.

Detailed analysis of the performance for the respective operating business segments for the period ended 31 March 2018 are as follow:

Construction Segment

For the current quarter, revenue has increased to RM61.7 million as compared to RM30.0 million in the preceding year corresponding quarter. The segment recorded a profit before tax of RM2.3 million as compared to a loss before tax of RM2.1 million in the preceding year corresponding quarter. The increased in revenue was mainly attributable to higher work progress from the on-going projects, mainly the Rehabilitation of Track between Jerantut to Gua Musang Railway Station (Package B) and the construction of L'Marq Service Apartment at Semenyih, Selangor. The improvement of profit before tax was due to the write back of impairment loss in trade receivable which amounted to RM3.3 million.

Logging and Timber Trading Segment

This segment recorded a lower revenue but higher profit before tax of RM31.1 million and RM35.3 million respectively as compared to RM34.9 million and RM24.2 million in the preceding year corresponding quarter. The higher profit before tax was due to the higher dividend received from a subsidiary company amounting to RM19.0 million for the current quarter as compare to RM8.0 million in the preceding year corresponding quarter.

The decreased in revenue was mainly due to lower production as a result of poor weather conditions which affected the supply during the current quarter as compared to the preceding year corresponding quarter.

Property Development Segment

This segment recorded a lower revenue and loss before tax of RM11.4 million and RM0.5 million respectively as compared to a revenue of RM138.0 million and profit before tax of RM41.8 million in the preceding year corresponding quarter.

The lower revenue of the current quarter was due to the Australia project, the Gardenhill, revenue being substantially recognized in the preceding year corresponding quarter, approximately 57.7% of the Gross Development Value (“GDV”) as compared to the revenue recognized in the current quarter of 0.6% of the GDV.

For the Malaysia project, Rica Residence @Sentul has continued contributing its revenue during the current quarter. The loss before tax was mainly due to the Sales and Marketing cost of RM1.4 million incurred during the current quarter.

Trading and Logistic Segments

For the current quarter, the Trading and Logistic segments registered a total revenue of RM10.7 million as compared to RM0.2 million in the preceding year corresponding quarter. Loss before tax for both segments was RM3,000 as compared to RM182,000 in the preceding year corresponding quarter.

The Trading segment is mainly trading of building materials by the Group’s appointed sub-contractors for its Construction segment, while the Logistic segment is to provide logistic services to the saw millers who purchase logs from our Logging and Timber Trading segment.

B2 Variation of result against preceding quarter

	Current Year Quarter 31/03/2018 (RM'000)	Immediate Preceding Quarter 31/12/2017 (RM'000)	Changes (%)
Revenue	98,577	120,941	-18
Profit from operation	16,706	23,169	-28
Profit before interest and tax	16,736	23,965	-30
Profit before tax	15,896	23,170	-31
Profit after tax	11,498	16,534	-30
Profit attributable to Owners of the Company	5,637	6,892	-18

For the current quarter ended 31 March 2018, the Group registered a lower revenue of RM98.6 million and pre-tax profit of RM15.9 million as compared to a revenue of RM120.9 million and pre-tax profit of RM23.2 million in the preceding quarter ended 31 December 2017.

The decreased in revenue and profit before tax were due to the Logging and Timber Trading segment as well as the Property Development segment.

The lower revenue in the Logging and Timber Trading segment was mainly due to lower production as a result of poor weather conditions which affected the supply during the current quarter.

Meanwhile, for the Property Development segment, lower revenue from the Australia project, the Gardenhill, was being recognized in the current quarter as compare to preceding quarter.

B3 Current year prospects

The Group's Construction segment will continue to develop through financial year 2018, focusing on our current order book of approximately RM425.0 million (including RM107.0 million of internal project). Going forward, we opine that there will be uncertainties in the Construction segment in the short term. However, we believe that with a good track record and having completed various rail-related projects such as Double-Track (Seremban-Gemas), LRT stations and depots and consistently delivering quality products and services, we are able to compete on some of the infrastructure and rail construction jobs. In addition, our Group has invested into the latest trackwork machineries capable of constructing and maintaining railway tracks and such services are only provided by a limited number of companies.

On the Property Development landscape, the Malaysian property market is expected to remain challenging with a modest domestic economic growth and stringent financial lending conditions. Moving forward, the Group will focus on promoting our Rica Residence @ Sentul and Paragon – Australia's first high-rise indoor forest development in Melbourne. In view of the strategic location, the response from the public is encouraging and both projects have achieved 70% and 85% take up rate respectively. The Group plans to launch the Rica Residence @ Kinrara project by end of 2018. The project consist of 5 blocks condominium comprising of between 14 storeys to 32 storeys each, located in Puchong which is serviced by LDP and KESAS highway, and within walking distance to Kinrara BKS, LRT Station.

The demand for residential property in urban and strategically located areas will be sustained, in light of the upcoming developments of public transportation systems as well as the construction of new highways. The Group will continue to focus on developing residential properties for the middle and upper-middle income market in urban and locations with good connectivity.

For timber industry, backed by the positive outlook in global production, increased consumer confidence and improved economies in Asia, the prospects are indeed bright. With the stable average prices of timber products, the Logging and Timber Trading segment will continue to generate significant revenue to the Group.

The Group will continue to explore more business opportunities and is committed to continue capitalising its strengths to generate sustainable revenue from its existing or new businesses.

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 31/03/2018 RM'000	3 months ended 31/03/2017 RM'000	9 months ended 31/03/2018 RM'000	9 months ended 31/03/2017 RM'000
Current period's provision	4,350	12,626	15,487	19,455
Under / (Over) provision for the prior years	47	(14)	47	(14)
	4,397	12,612	15,534	19,441
Deferred taxation	1	-	87	-
Under / (Over) provision for the prior years	-	-	-	-
	4,398	12,612	15,621	19,441

The effective tax rate for the financial year was higher than the statutory income tax rate in Malaysia mainly due to certain expenses not deductible for tax purposes and higher tax rate in Australia.

B7 Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 31 March 2018 were as follows :

RM'000

At cost	11,822
At market value	
- Shares	11,001
- Warrants	3,524

B8 Status of corporate proposals announced

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

B9 Borrowings

The tenure of the Group borrowings classified as follows:-

	31 March 2018		31 March 2017	
	Short term	Long term	Short term	Long term
<u>Secured</u>	RM'000	RM'000	RM'000	RM'000
Term loan	14,500	55,631	30,512	9,348
Hire purchase	905	2,478	537	1,267
Invoice Finance	693	-	6,493	-
Bankers Acceptance	2,263	-	168	-
Revolving Credit	4,000	-	-	-
	<u>22,361</u>	<u>58,109</u>	<u>37,710</u>	<u>10,615</u>

B10 Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 March 2018.

B11 Trade receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 31/03/2018 RM'000
Not past due	39,059
Past due:	
- less than 3 months	8,059
- 3 to 6 months	171
- over 6 months	9,481
- more than 1 year	18,382
	<u><u>75,152</u></u>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

B12 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.

B13 Dividend

No dividends were declared for the third quarter ended 31 March 2018.

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 warrants and ESOS into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months Ended 31/03/2018 RM'000	3 months Ended 31/03/2017 RM' 000	9 months Ended 31/03/2018 RM000	9 months Ended 31/03/2017 RM'000
Net profit attributable to Owners of the Company	5,637	22,199	17,607	28,769
Weighted Average Number of shares at the end of the period ('000)	372,344	361,706	369,248	361,679
Weighted Average Number of shares of conversion of Warrants and ESOS to shares ('000)	119,228	129,908	119,228	129,908
Adjusted number of ordinary shares in issue and issuable ('000)	491,572	491,614	488,477	491,588
Basic earnings per share (sen)	1.51	6.14	4.77	7.95
Diluted earnings per share (sen)	1.15	4.52	3.60	5.85

B15 Realised and unrealised profits

The breakdown of retained 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 31/03/2018 RM'000	As at End of Preceding Financial Year 30/06/2017 RM'000
Total retained profits of the Company and it's subsidiaries		
- Realised	182,538	148,143
- Unrealised	(2,201)	(2,289)
Less: Consolidation adjustments	180,337 (96,932)	145,854 (74,514)
Total Group retained profits as per consolidated accounts	83,405	71,340

B16 Profit before taxation

	Current Year Quarter 31/03/2018 RM'000 Unaudited	Current Year To-date 31/03/2018 RM'000 Unaudited
Profit before tax is arrived at after charging/(crediting):-		
Interest income	(282)	(827)
Rental of premises	-	(92)
(Gain)/Loss on disposal of property, plant & equipment	197	187
Depreciation	3,331	8,619
Interest expense	1,053	2,673
Employee services expenses	-	1,795
Write off of property, plant and equipment	313	313
Write back of impairment loss in trade receivables	(3,328)	(3,328)
(Gain)/Loss on derivate financial instruments	-	(73)
(Gain)/Loss on foreign exchange	-	(762)
Unrealised (gain)/loss on foreign exchange	1,480	3,206

B17 Authorisation for issue

The Board of Directors authorised the issue of this unaudited interim financial report on 24 May 2018.

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

Dato' Ir Low Keng Kok
Chairman

Kuala Lumpur
24 May 2018