FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
			30/09/2006	**30/09/2005**	**30/09/2006**	**30/09/2005**
			RM'000	RM'000	RM'000	RM'000
1.	(a)	**Revenue**	**178,332**	**118,494**	**468,903**	**356,695**
	(b)	Costs of sales	(112,607)	(81,353)	(309,049)	(242,439)
	(c)	Gross profit	65,725	37,141	159,854	114,256
	(d)	Other income	3,476	1,301	5,621	3,755
	(e)	Expenses	(22,700)	(7,923)	(60,522)	(42,231)
	(f)	Finance costs	(3,230)	(2,927)	(9,384)	(8,358)
	(g)	Depreciation and amortization	(8,442)	(7,579)	(25,410)	(23,542)
	(h)	**Profit before income tax**	**34,829**	**20,013**	**70,159**	**43,880**
	(i)	Income tax	(10,658)	(3,697)	(24,047)	(13,634)
	(j)	**Profit for the period**	**24,171**	**16,316**	**46,112**	**30,246**
		Attributable to:				
	(k)	Equity holders of the parent	10,133	15,330	23,567	22,776
	(l)	Minority interests	14,038	986	22,545	7,470
			24,171	**16,316**	**46,112**	**30,246**
2.		**Earnings per share based on 1(k) above:-**				
	(a)	Basic (based on 2006 weightage average : 292,889,942 [2005 weighted average of : 249,208,797 / 245,274,338] ordinary shares)	**3.5 sen**	**6.2 sen**	**8.0 sen**	**9.3 sen**
	(b)	Fully diluted (based on 2006 weightage average: 472,889,942 [2005 : 477,327,774/473,393,315] enlarged number of ordinary shares)	**2.1 sen**	**3.2 sen**	**5.0 sen**	**4.8 sen**

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at end of current quarter 30/09/2006	Audited As at preceding financial year end 31/12/2005
	RM'000	RM'000
ASSETS		
1. Non- current assets		
Property, plant and equipment	312,938	342,404
Other investments	897	897
Intangible assets	7,151	8,353
Land held for property development	50,938	62,028
	371,924	413,682
2. Current assets		
Property development costs	103,498	52,014
Inventories	18,977	17,952
Receivables	204,089	160,135
Short term investments	180	192
Short term deposits*	71,981	65,260
Cash and bank balances*	73,199	64,429
	471,924	359,982
Total assets	843,848	773,664

II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

		Unaudited	Audited
		As at end of current quarter	**As at preceding financial year end**
		30/09/2006	**31/12/2005**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3.	Equity attributable to equity holders of the parent		
	Share capital	298,001	278,001
	Redeemable Convertible Preference Shares ("RCPS")	180,000	200,000
	Reserves:		
	Other reserves	116,296	115,985
	Exchange fluctuation reserve	30,607	32,351
	Accumulated losses	(371,377)	(394,944)
		253,527	231,393
4.	Minority interests	81,935	65,812
	Total equity	335,462	297,205
5.	Non-current liabilities		
	Provision for liabilities	7,660	6,778
	Retirement benefit obligation	343	343
	Redeemable Secured Loan Stocks ("RSLS")	146,642	142,424
	Borrowings	124,296	129,320
	Deferred taxation	13,290	13,766
	Preference shares ("PS")	8,616	8,616
		300,847	301,247
6.	Current liabilities		
	Retirement benefit obligations	1,029	138
	Borrowings	5,724	25,088
	Payables	185,942	144,320
	Tax payable	14,844	5,666
		207,539	175,212
	Total liabilities	508,386	476,459
	Total equity and liabilities	**843,848**	**773,664**
7.	**Net assets per ordinary share attributable to ordinary equity holders of the parent #**	**RM0.85**	**RM0.83**

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

* Cash, bank balances and short term deposits
Included in the cash, bank balances and short term deposits of the Group is RM63,919,000 (2005 : RM48,352,000) maintained under the Housing Development Account in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

\# Net assets per ordinary share attributable to ordinary equity holders of the parent
Net assets per ordinary share attributable to ordinary equity holders of the parent has been computed taking equity attributable to equity holders of the parent of RM253.5 million (2005 : RM231.4 million) divided by 298.0 million (2005 : 278.0 million) ordinary shares issued.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited Nine months to 30/09/2006	Unaudited Nine months to 30/09/2005
Operating Activities		RM'000	RM'000
Cash receipts from customers		465,869	383,080
Cash payments to suppliers		(112,450)	(130,461)
Cash payments to employees and for expenses		(276,790)	(214,018)
Cash generated from operations		76,629	38,601
Interest paid		(9,972)	(7,326)
Income taxes paid		(15,475)	(23,113)
Interest received		979	2,145
Net cash generated from operating activities		52,161	10,307
Investing Activities			
Interest received		1,171	641
Proceed from disposal/(purchase) of investment		-	10,135
Purchase of property, plant & equipment		(10,041)	(9,011)
Net cash (used in)/ generated from investing activities		(8,870)	1,765
Financing Activities			
Repayment of Balance Sum owed to Jeram Bintang Sdn Bhd ("JBSB")		(2,844)	(3,716)
Proceeds from issuance of preference shares in subsidiary		-	2,000
Drawdown of long term loan		2,000	26,360
Dividend paid to minority shareholders in subsidiary		(6,422)	(8,174)
Preference dividend paid to minority shareholders by subsidiary		(2,855)	(1,792)
Repayment of term loan		(17,511)	-
Interest paid		(168)	(187)
Repayment of hire purchase obligation		-	(4)
Net cash (used in) / generated from financing activities		(27,800)	14,487
Net change in Cash & Cash Equivalent		**15,491**	**26,559**
Cash & Cash Equivalent as at beginning of financial period		129,689	120,386
Cash & Cash Equivalent as at end of financial period	**(a)**	**145,180**	**146,945**

	Unaudited As at 30/09/2006	Unaudited As at 30/09/2005
(a) Cash and Cash Equivalent comprise the following amounts:	**RM'000**	**RM'000**
Short term deposits	**71,981**	**72,052**
Cash and bank balances	**73,199**	**74,893**
	145,180	**146,945**

In the preceding year corresponding period, the condensed Consolidated Cash Flow Statement was prepared under the Indirect Method. For the current financial year, as allowed for under FRS 107 $_{2004}$, (Cash Flow Statements), the Group adopted the Direct Method in the preparation of condensed Consolidated Cash Flow Statement. The comparative figures have been represented to conform with the current method.

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to equity holders of the parent						→	Minority Interests	Total Equity
	Share Capital	**Redeemable Convertible Preference Shares**	**Other Reserves**	**Exchange Fluctuation Reserve**	**Accumulated Losses**	**ICULS**	**Total**		
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Nine months to 30 September 2006 (unaudited)									
Balance as at 1 January 2006	278,001	200,000	115,985	32,351	(394,944)	-	**231,393**	65,812	**297,205**
Exchange fluctuation not recognized in income statement	-	-	-	(1,744)	-	-	**(1,744)**	-	**(1,744)**
Expense recognized directly in equity	-	-	-	(1,744)	-	-	**(1,744)**	-	**(1,744)**
Profit for the period	-	-	-	-	23,567	-	**23,567**	22,545	**46,112**
Total recognized income and expense for the period	-	-	-	(1,744)	23,567	-	**21,823**	22,545	**44,368**
Dividend paid to minority shareholders in subsidiary	-	-	-	-	-	-	**-**	(6,422)	**(6,422)**
Share-based payment	-	-	311	-	-	-	**311**	-	**311**
Conversion of RCPS	20,000	(20,000)	-	-	-	-	**-**	-	**-**
Balance as at 30 September 2006	298,001	180,000	116,296	30,607	(371,377)	-	**253,527**	81,935	**335,462**
Nine months to 30 September 2005 (unaudited)									
Balance as at 1 January 2005	234,845	200,000	72,829	30,925	(426,224)	86,312	**198,687**	64,654	**263,341**
Profit/(loss) for the period	-	-	-	(42)	22,776	-	**22,734**	7,470	**30,204**
Total recognized income and expense for the period	-	-	-	(42)	22,776	-	**22,734**	7,470	**30,204**
Dividend paid to minority shareholders in subsidiary	-	-	-	-	-	-	**-**	(8,174)	**(8,174)**
Conversion of ICULS	15,037	-	15,037	-	-	(30,074)	**-**	-	**-**
Balance as at 30 September 2005	249,882	200,000	87,866	30,883	(403,448)	56,238	**221,421**	63,950	**285,371**

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared in accordance with the requirements of FRS 134_{2004} : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2005.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") that are applicable to the Group effective for financial period beginning 1 January 2006:

FRS 2 Share Based Payment
FRS 101 Presentation of Financial Statements
FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 138 Intangible Assets

The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below :-

a) **FRS 2: Share Based Payment**

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity or entity's parent or another entity in the same group as the entity.

United Engineers (Malaysia) Berhad ("UEM") operates an equity-settled, share-based compensation plan for the eligible employees of UEM, its subsidiaries and certain of its associates and Khazanah Nasional Berhad, namely the Employee Equity Scheme in relation to the shares of UEM World Berhad ("EES").

As an associate of UEM, the employees of Faber Group Berhad ("FGB") and its group of companies participate in the EES.

Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting period of the grants with a corresponding increase in equity.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006.

For the current period under review, FRS 2 has resulted in a charge of approximately RM310,752.00 to the profit of the Group arising from the share options under the EES granted to the employees of the Group.

b) **FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 requires changes in the presentation of minority interests and other disclosures in the consolidated income statement. In the consolidated balance sheet, minority interests are now presented within total equity.

FRS 101 also requires disclosure, on the face of the statement of changes in total equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

c) **FRS 121: The Effects of Changes in Foreign Exchange Rates**

The Group adopted the additional provision pursuant to FRS 121 whereby exchange differences arising from the translation of long term receivable from or payable to a foreign subsidiary that forms part of the reporting entity's net investment, which are recognised in income statement in the separate financial statements of the reporting entity or the individual financial statements of the foreign subsidiary, are taken directly to the Exchange Fluctuation Reserve in the consolidated financial statements.

d) **FRS 138: Intangible Assets**

With the adoption of FRS 138, the Group has reclassified certain acquired computer software and licences that do not form an integral part of the related hardware as intangible assets from property, plant and equipment as at the balance sheet date as follows:-

	As at **31/12/2005** RM'000
Non-current assets	
Property, plant and equipment	(3,531)
Intangible assets	3,531
	-

2. **Audit report in respect of the 2005 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2005 was not qualified.

3. **Seasonal or cyclical factors**

The Group's operations are not materially affected by any seasonal or cyclical factors.

4. **Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cashflows that were unusual because of their nature, size or incidence in the current period except as disclosed below :

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2006	**30/09/2005**	**30/09/2006**	**30/09/2005**
	RM'000	RM'000	RM'000	RM'000
Write back of provision for diminution in value of real properties	-	850	850	2,784
Bad debts recovered	-	10,000	-	10,000
	-	10,850	850	12,784

5. **Material changes in estimates used**

There were no changes in estimates of amounts reported in prior interim periods of the current financial period or prior financial years that have a material effect in the current period.

6. **Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2006.

With regard to the RM200,000,000.00 of RM1.00 nominal value Redeemable Convertible Preference Shares ("RCPS") issued by FGB pursuant to the restructuring scheme of FGB which was completed in September 2004 ("the Restructuring Scheme"), FGB had on 7 June 2006 entered into a Supplemental Subscription Agreement ("SSA") with Jeram Bintang Sdn Bhd ("JBSB"). The SSA is supplemental to the Subscription Agreement ("SA") dated 17 September 2004 between FGB and JBSB in relation to the subscription by JBSB of the RCPS.

The entry by FGB into the SSA with JBSB is necessary to reflect the terms and rights particularly in respect of redemption of the RCPS as outlined under Schedule E of the Restructuring Deed dated 22 December 2003 between FGB, Universal Trustee (Malaysia) Berhad and JBSB in relation to the Restructuring Scheme.

JBSB, the sole holder of RM200,000,000.00 RCPS had in July 2006 converted RM20,000,000.00 RCPS into 20,000,000 Ordinary Shares of RM1.00 each ("the New Ordinary Shares") in FGB in accordance to the SA.

The conversion of the RM20,000,000.00 RCPS by JBSB is in respect of the conversion rights attached to the RCPS for the period commencing from the 30 September 2004 ("the Issue Date") of the RCPS and ending on the first anniversary of the Issue Date.

The New Ordinary Shares arising from the Conversion of RCPS was listed and quoted on Bursa Malaysia with effect from Tuesday, 25 July 2006.

7. Dividend

The Directors do not recommend the payment of an interim dividend for the current period ended 30 September 2006 (2005: nil).

8. Segment information for the current financial period

Segment information for the current financial period to 30 September 2006 is as follows:

By business segment	**Facilities Management Healthcare RM'000**	**Property Development RM'000**	**Hotel Services RM'000**	**Facilities Management Non Healthcare RM'000**	**Others/ Elimination RM'000**	**Group RM'000**
Revenue	304,332	128,560	29,231	5,629	1,151	468,903
Results						
Segment results	42,762	40,910	(4,502)	609	(236)	79,543
Finance costs	(1,429)	(17)	(3,719)	-	(4,219)	(9,384)
Profit/(loss) before income tax	41,333	40,893	(8,221)	609	(4,455)	70,159
Income tax	(12,268)	(11,616)	(5)	(167)	9	(24,047)
Profit/(loss) for the period	29,065	29,277	(8,226)	442	(4,446)	46,112
Attributable to:						
Equity holders of the parent	28,185	16,006	(8,226)	442	(12,840)	23,567
Minority interests	880	13,271	-	-	8,394	22,545
	29,065	29,277	(8,226)	442	(4,446)	46,112

9. Valuation of property, plant and equipment

The valuations of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous financial statements.

10. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 30 September 2006 to the date of this announcement that would substantially affect the financial results of the Group for the period ended 30 September 2006.

11. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

12. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2005 except as disclosed below:

Description of contingent liabilities	RM'000
Decrease in claim for alleged non-payment of debts	378

13. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	17,743

14. **Income tax**

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2006	**30/09/2005**	**30/09/2006**	**30/09/2005**
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	16,458	3,697	29,847	13,634
- reversal of overpayment of tax on gain on disposal of stock in prior year*	(5,800)	-	(5,800)	-
	10,658	3,697	24,047	13,634

The disproportionate taxation charge for the Group is principally due to the absence of Group relief for losses suffered by certain subsidiaries .

Note * - the amount is related to payment of income tax on the disposal of Faber Towers to JBSB, pursuant to the Proposed Restructuring Scheme

15. **Disposal of unquoted investments and/or properties**

There were no disposal of unquoted investments and/or properties in the current period.

16a). **Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current period.

16b). **Investments in quoted securities**

Total investments in quoted securities as at 30 September 2006 are as follows:

	RM'000
Total investments at cost	816
Total investments at book value net of accumulated impairment loss.	180
Total investments at market value	180

17. **Status of corporate proposals announced but not completed as at the date of this announcement**

There are no corporate proposals announced but not completed as at the date of this announcement except as stated below:

(a) On 5 August 2004, Intensive Quest Sdn Bhd ("IQSB"), a 63% owned subsidiary company of FGB has been placed under members' voluntary liquidation ("the MVL") following the passing of a special resolution by its members at an extraordinary general meeting held on the same day.

The MVL of IQSB is in line with the provisions of the Shareholders' Agreement in respect of IQSB dated 8 April 2004 between FGB and Medlux Overseas (Guernsey) Limited ("MOG"), in which FGB and MOG have mutually agreed to voluntarily wind-up IQSB in accordance with applicable laws of Malaysia.

(b) On 22 March 2006, Faber Facilities Sdn Bhd ('FFSB'), a wholly owned subsidiary company of Faber Group Berhad, entered into a Joint Venture Agreement ('JVA') with Singa Real Estates Limited ('SREL') in which the parties have agreed to, inter-alia, establish a joint venture for the purpose of undertaking facilities management services business in India, namely in the State of Delhi, Haryana, Uttar Pradesh, Maharashtra, Rajasthan and Punjab.

FFSB and SREL had on 1 August 2006 incorporated a limited company in India, namely Faber Star Facilities Management Limited ('Faber Star').

FFSB presently holds 25,500 equity shares of Rs10.00 in Faber Star representing 51% of the issued and paid-up share capital of Faber Star. The remaining 24,500 equity shares of Rs10.00 in Faber Star representing 49% of the issued and paid-up share capital of Faber Star is held by SREL and its nominees.

In August 2006, both FFSB and SREL have agreed on an extension of time for fulfillment of the obligations set out in the JVA-Faber Star for another 3 months i.e. from 1 September 2006 until 30 November 2006.

(c) On 8 May 2006, Faber Union Sdn Bhd ('FUSB'), a wholly owned subsidiary company of Faber Development Holdings Sdn Bhd ('FDH') which in turn is a wholly owned subsidiary company of FGB, entered into a Joint Venture Development Agreement ('JVDA') with United Engineers (Malaysia) Berhad ('UEM') in relation to the proposed development of all that piece of land ('the UEM Land') held under C.L. 015346282, District of Kota Kinabalu, State of Sabah (related party transaction).

Development Plan comprising 32 units of semi-detached houses and 2 units link bungalows at the UEM Land was submitted to Dewan Bandaraya Kota Kinabalu on 15 May 2006 and approved on 4 October 2006.

(d) On 14 July 2006, FGB announced the entry by Faber Medi-Serve Sdn Bhd ('FMS'), a 70% owned subsidiary company of FGB into a Memorandum of Understanding ('MOU') with Apollo Sindoori Hotels Limited ('ASHL') in relation to collaboration in inter-alia, bio-medical and facility engineering maintenance services, cleansing services, housekeeping services, janitorial services and hospital support services (other than catering and food & beverage services) and management information services (other than patient information) and other mutually agreed objectives by way of a proposed joint venture company in India.

In accordance to the provisions of the MOU, both FMS and ASHL had on 11 November 2006 agreed to extend the MOU for a further period of 60 days.

(e) On 31 August 2006, FMS entered into a Memorandum of Understanding ('MOU') with PFPL in relation to collaboration on an exclusive basis in respect of operating a laundry plant for the purposes of providing linen and laundry services (hereinafter referred to as 'the Laundry Plant Project').

The MOU shall terminate and become null and void upon:

- the execution of the set of definitive agreements between the Parties;
- after a period of 120 days from the date of the MOU or such other period as may be mutually agreed between the Parties prior to the termination of the MOU, or
- the failure of the Parties, for any reason whatsoever, to reach a mutual agreement in respect of the principle terms and conditions upon which FMS and PFPL shall enter into in respect of the Project;

whichever shall be the earlier, save for the provisions which are expressed to survive the termination of the MOU. Upon termination of the MOU, neither party shall have any claim against the other except for antecedent breaches.

FMS and PFPL is presently finalizing a set of definitive agreement, namely the Joint Venture Agreement.

(f) On 4 September 2006, FGB entered into a Joint Venture cum Shareholders' Agreement ('JVcSA') with Ekovest Berhad ('Ekovest') to apply to the Government of Malaysia, and if successful, to undertake as joint venture partners, the concession ('the Concession') for the design, construction, completion and maintenance of an institution known as the National Institute for Natural Products, Vaccines and Biologicals (hereinafter referred to as 'the 9Bio Project').

FGB and Ekovest have agreed to use 'Ukasa Bina Sdn Bhd' ('UBSB'), as the incorporated joint venture vehicle, to implement and carry-out the Project in accordance with the terms and conditions contained in the JVcSA. UBSB had with effect from 20 October 2006 changed its name to Ekovest-Faber Sdn. Bhd.

18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 September 2006 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	**Total**	Secured	Unsecured	**Total**
	RM'000	RM'000	**RM'000**	RM'000	RM'000	**RM'000**
Debt securities						
PS	-	8,616	**8,616**	-	-	**-**
RSLS	146,642*	-	**146,642***	-	-	**-**
Other borrowings						
Domestic – Bank	19,230	-	**19,230**	5,724	-	**5,724**
Foreign – Bank	64,592**	-	**64,592****	-	-	**-**
Amount owing to corporate shareholder	-	1,063	**1,063**	-	-	**-**
Balance Sum owed to JBSB	39,411	-	**39,411**	-	-	**-**
TOTAL	269,875	9,679	**279,554**	5,724	-	**5,724**

* The RSLS issued comprises RM135,564,000 nominal value of RSLS and 4% coupon compounded annually up to a maturity term of 8 years amounting up to RM49,964,000 nominal value payable in the form of RSLS

** The equivalent foreign amount is USD17,516,492 [USD1.00 : RM3.688]

19. **Off Balance Sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

20. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except as disclosed below:

Nova Hill Sdn Bhd ("NHSB") vs. FUSB (KLHC Suit No. S7(S1)S4-22-379-1992)

This is a dispute between FUSB, a wholly-owned subsidiary of Faber Development Holdings Sdn. Bhd. ("FDHSB") which in turn is a wholly-owned subsidiary of FGB, and the defendant, which is the vendor of the land under HS (D) 4764 P.T. 1834 which is now described as Geran 10869 Lot 35283, Mukim and District of Kuala Lumpur (the "Faber Land") and NHSB, the plaintiff, which is the buyer of the Faber Land, in respect of an alleged wrongful termination of the sale of the Faber Land for the proposed development of Casa Palma Condominium. The claim made by the plaintiff on 22 July 1992 was for a total sum of RM26,178,880.

In the meantime, the Company's lawyers has filed an application for security for cost on the grounds that NHSB is a nominal company and has not shown any evidence that it would be able to satisfy an order of cost if the decision is in favour of FUSB. The court took cognisance that our application for security for cost has to be heard before the commencement of the trial. The Court dismissed our application for security for cost with no order to cost. Thereafter on 24 September 2002, the trial date from 14 - 17 October 2002 was vacated to 21 - 23 October 2002 and was again fixed to continue the trial on 7 and 8 November 2002. On 8 November 2002, the Plaintiff's case was concluded, whilst the Defendant's (FUSB) case began on 27 and 28 January 2003, and continued with the witness on 24 June and 21 July 2003. The Learned Judge directed both parties to file their respective submission by 6 October 2003 and due to the plaintiff's response to the defendant's submission, a reply was filed on 22 October 2003. The Judge heard submissions on 11 December 2003 and was fixed for decision on 12 January 2004 of which was adjourned to 14 January 2004 wherein the Plaintiff's claim was dismissed with cost.

The Plaintiff has filed a Notice of Appeal to the Court of Appeal on 12 February 2004. There is no further development since then on the Plaintiff's appeal. In the meantime the High Court had fixed the notice of review on taxation of cost for hearing on 23 May 2006. On the said date, the Court adjourned the matter to 29 June 2006 and cost was awarded to FUSB for the sum of RM73,500.00. In the interim the Court of Appeal had also fixed for hearing of the notice of taxation on 26 May 2006 on the Bill of Cost for appeal to set-aside the default judgment in the Court of Appeal. On the said date i.e. 26 May 2006, the court again awarded FUSB a sum of RM23,671.30 as cost.

FUSB's solicitors are of the opinion, on the basis of the documents made available and the facts made known to them, that the circumstances of the case suggest that there was no contract concluded between FUSB and NHSB for the sale of the Faber land.

21. **Comparison between the current quarter and the immediate preceding quarter**

The Group's revenue for the current quarter increased by RM22.0 million or 14.1% to RM178.3 million from RM156.3 million in the preceding quarter. The Property Division recorded a higher revenue of RM58.0 million (preceding quarter : RM46.6 million) mainly due to the higher progress billings in the current quarter. The Facilities Management Healthcare Division recorded a higher revenue of RM108.1 million (preceding quarter : RM98.8 million) due to the recognition of variation orders for additional work done. The Hotel Division recorded a higher revenue of RM9.9 million (preceding quarter: RM8.8 million) due to higher Average Occupancy and Room Rate of Sheraton Hanoi.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM34.8 million, as compared to RM20.7 million in the preceding quarter. The Property Division recorded a higher PBT of RM22.3 million (preceding quarter: RM13.4 million) as a result of the higher revenue as explained above. The Facilities Management Healthcare Division also recorded a higher PBT of RM16.2 million (preceding quarter : RM12.3 million) whilst the Hotel Division recorded a lower loss of RM2.8 million (preceding quarter: loss of RM3.3 million).

22. **Review of performance for the current quarter and year-to-date**

The Group's revenue for the current quarter of RM178.3 million was 50.5% or RM59.8 million higher than revenue for the corresponding quarter last year of RM118.5 million. This was mainly due to the higher revenue from the progress billings for Property Division. The Facilities Management Healthcare Division recorded higher revenue on the variation orders on additional works. The Hotel Division recorded higher revenue in the current quarter due to higher Average Occupancy and Room Rate of Sheraton Hanoi.

For the year-to-date, the Group recorded revenue of RM468.9 million against RM356.7 million for the preceding year corresponding period. The RM112.2 million or 31.5% increase was mainly due to higher revenue by Property Division, Facilities Management Healthcare Division and Hotel Division by RM65.2 million, RM39.3 million and RM8.5 million respectively.

The Group's current quarter PBT also improved to RM34.8 million as compared to RM20.0 million in the corresponding quarter last year and year-to-date PBT of RM70.2 million against RM43.9 million in the preceding year corresponding period.

23. **Economic profit**

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2006	**30/09/2005**	**30/09/2006**	**30/09/2005**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation				
Earnings before interest and tax ("EBIT")	38,180	8,503	78,212	35,695
Adjusted tax	10,690	2,381	21,899	9,995
NOPAT	**27,490**	**6,122**	**56,313**	**25,700**
Economic charge computation				
Average invested capital	505,281	452,151	505,281	452,151
Weighted average cost of capital	10.2%	8.6%	10.2 %	8.6%
Economic charge	**12,931**	**9,730**	**38,792**	**29,190**
Economic profit / (loss)	**14,559**	**(3,608)**	**17,521**	**(3,490)**

The economic profit statement is as prescribed under the Government Linked Companies transformation program, and is disclosed on a voluntary basis.

Economic profit ("EP") or economic loss ("EL") is a measure of value created by a business during a single period reflecting how much a business makes over its cost of capital. In other words, it is the difference between FGB's rate of return and cost of capital.

(a) Performance of the current quarter ended 30 September 2006 against the corresponding quarter last year :

EP of RM14.6 million is higher by RM18.2 million as compared to corresponding quarter EL of RM3.6 million mainly due to a higher EBIT margin recorded as a result of the higher revenue recognition by Facilities Management Healthcare Division, Property Division and Hotel Division.

(b) Performance of the current period ended 30 September 2006 against the corresponding period last year :

EP of RM17.5 million is higher by RM21 million as compared to corresponding period EL of RM3.5 million mainly due to higher EBIT margin recorded as a result of the higher revenue recognition.

24. **Prospects for the current financial year**

The Group expects its performance to improve as a result of enhanced contribution from all Divisions. Overseas expansion will also be part of the Group's strategic growth area.

25. **Profit forecast**

No commentary is made on any variance between actual profit against forecast profit, as it does not apply to the Group.

26. **Earnings per share ("EPS")**

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2006	**30/09/2005**	**30/09/2006**	**30/09/2005**
Profit for the year (RM)	10,133,000	15,330,000	23,567,000	22,776,000
Weighted average number of shares in issue during the year	292,889,942	249,208,797	292,889,942	245,274,338
Basic EPS	**3.5 sen**	**6.2 sen**	**8.0 sen**	**9.3 sen**
Fully diluted (based on 2006 weightage average: 472,889,942 [2005 : 477,327,774 / 473,393,315] enlarged number of ordinary shares)	**2.1 sen**	**3.2 sen**	**5.0 sen**	**4.8 sen**

By Order of the Board
MAZNAH HARON
LS000497
Company Secretary

Kuala Lumpur
23 November 2006