FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
			31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
			RM'000	RM'000	RM'000	RM'000
1.	(a)	**Revenue**	**168,904**	**145,546**	**637,807**	**502,241**
	(b)	Costs of sales	(106,943)	(89,961)	(415,992)	(332,400)
	(c)	Gross profit	61,961	55,585	221,815	169,841
	(d)	Other income	5,929	1,289	11,550	15,044
	(e)	Expenses	(37,670)	(22,567)	(98,192)	(74,798)
	(f)	Finance costs	(3,325)	(3,146)	(12,709)	(11,504)
	(g)	Depreciation and amortization	(8,574)	(10,471)	(33,984)	(34,013)
	(h)	**Profit before income tax**	**18,321**	**20,690**	**88,480**	**64,570**
	(i)	Income tax	223	(8,601)	(23,824)	(22,235)
	(j)	**Profit for the year**	**18,544**	**12,089**	**64,656**	**42,335**
		Attributable to:				
	(k)	Equity holders of the company	14,373	7,257	37,940	30,033
	(l)	Minority interests	4,171	4,832	26,716	12,302
			18,544	**12,089**	**64,656**	**42,335**
2.		**Earnings per share based on 1(k) above:-**				
	(a)	Basic (based on 2006 weighted average : 286,713,382 [2005 weighted average of : 269,011,161 / 251,152,502] ordinary shares)	**5.0 sen**	**2.7 sen**	**13.2 sen**	**12.0 sen**
	(b)	Fully diluted (based on 2006 weighted average: 466,713,382 [2005 : 469,011,161/451,152,502] enlarged number of ordinary shares)	**3.0 sen**	**1.5 sen**	**8.1 sen**	**6.7 sen**

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

II. CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited	Audited
		As at end of financial year end	As at preceding financial year end
		31/12/2006	31/12/2005
		RM'000	RM'000
	ASSETS		
1.	Non- current assets		
	Property, plant and equipment	309,238	342,404
	Other investments	897	897
	Intangible assets	7,983	8,353
	Land held for property development	43,823	62,028
		361,941	413,682
2.	Current assets		
	Property development costs	94,155	52,014
	Inventories	19,822	17,952
	Receivables	201,244	160,135
	Short term investments	196	192
	Short term deposits*	101,608	65,260
	Cash and bank balances*	72,979	64,429
		490,004	359,982
	Total assets	851,945	773,664

II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

		Unaudited	Audited
		As at end of financial year end	As at preceding financial year end
		31/12/2006	31/12/2005
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3.	Equity attributable to equity holders of the company		
	Share capital	298,001	278,001
	Redeemable Convertible Preference Shares ("RCPS")	180,000	200,000
	Reserves:		
	Other reserves	117,712	115,985
	Exchange fluctuation reserve	12,775	32,351
	Accumulated losses	(349,211)	(394,944)
		259,277	231,393
4.	Minority interests	84,711	65,812
	Total equity	343,988	297,205
5.	Non-current liabilities		
	Retirement benefit obligation	1,281	343
	Redeemable Secured Loan Stocks ("RSLS")	148,120	142,424
	Borrowings	96,765	129,320
	Deferred taxation	11,993	13,766
	Preference shares ("PS")	8,616	8,616
		266,775	294,469
6.	Current liabilities		
	Retirement benefit obligations	276	138
	Provision for liabilities	6,419	6,778
	Borrowings	24,485	25,088
	Payables	198,527	144,320
	Tax payable	11,475	5,666
		241,182	181,990
	Total liabilities	507,957	476,459
	Total equity and liabilities	**851,945**	**773,664**
7.	**Net assets per ordinary share attributable to ordinary equity holders of the company #**	**RM0.87**	**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 RM51,860,000 (2005 : RM48,352,297) 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 company
Net assets per ordinary share attributable to ordinary equity holders of the company has been computed taking equity attributable to equity holders of the company of RM259.3 million (2005 : RM231.4 million) divided by 298.0 million (2005 : 278.0 million) ordinary shares issued.

III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited Twelve months to 31/12/2006	Audited Twelve months to 31/12/2005
Operating Activities		RM'000	RM'000
Cash receipts from customers		670,487	495,796
Cash payments to suppliers		(298,054)	(245,740)
Cash payments to employees and for expenses		(235,364)	(213,361)
Cash generated from operations		137,069	36,695
Interest paid		-	(27)
Income taxes paid		(34,986)	(46,614)
Others		(1,937)	(288)
Net cash generated from/(used in) operating activities		100,146	(10,234)
Investing Activities			
Proceed from disposal/(purchase) of investment		-	10,141
Proceeds from disposal of property, plant and equipment		248	-
Interest received		3,678	3,829
Dividend received		-	14
Purchase of property, plant & equipment		(16,813)	(13,388)
Others		-	101
Net cash (used in)/ generated from investing activities		(12,887)	697
Financing Activities			
Repayment of hire purchase obligations		-	(18)
Repayment of Balance Sum owed to Jeram Bintang Sdn Bhd ("JBSB")		(2,844)	(8,870)
Proceeds from issuance of preference share to minority shareholders		-	2,000
Drawdown of long term loan		2,000	47,295
Dividend paid to minority shareholders by subsidiary		(7,816)	(11,677)
Preference dividend paid to minority shareholders by subsidiary		(1,792)	(1,792)
Interest paid		(4,683)	(4,357)
Repayment of term loan		(27,226)	(3,741)
Net cash (used in) / generated from financing activities		(42,361)	18,840
Net change in Cash & Cash Equivalent		**44,898**	**9,303**
Cash & Cash Equivalent as at beginning of financial year		129,689	120,386
Cash & Cash Equivalent as at end of financial year	**(a)**	**174,587**	**129,689**

(a) Cash and Cash Equivalent comprise the following amounts:

	Unaudited As at 31/12/2006	Audited As at 31/12/2005
	RM'000	**RM'000**
Short term deposits	**101,608**	**65,260**
Cash and bank balances	**72,979**	**64,429**
	174,587	**129,689**

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 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 company							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
Twelve months to 31 December 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	-	-	-	(19,576)	7,793	-	**(11,783)**	-	**(11,783)**
Expense recognized directly in equity	-	-	-	(19,576)	7,793	-	**(11,783)**	-	**(11,783)**
Profit for the year	-	-	-	-	37,940	-	**37,940**	26,716	**64,656**
Total recognized income and expense for the year	-	-	-	(19,576)	45,733	-	**26,157**	26,716	**52,873**
Dividend paid to minority shareholders in subsidiary	-	-	-	-	-	-	**-**	(7,817)	**(7,817)**
Share-based payment	-	-	1,727	-	-	-	**1,727**	-	**1,727**
Conversion of RCPS	20,000	(20,000)	-	-	-	-	**-**	-	**-**
Balance as at 31 December 2006	298,001	180,000	117,712	12,775	(349,211)	-	**259,277**	84,711	**343,988**
Twelve months to 31 December 2005 (audited)									
Balance as at 1 January 2005	234,845	200,000	72,829	30,925	(426,224)	86,312	**198,687**	64,654	**263,341**
Group prior year adjustment *					1,247		**1,247**		**1,247**
Balance as at 1 January 2005 as restated	234,845	200,000	72,829	30,925	(424,977)	86,312	**199,934**	64,654	**264,588**
Dividend paid to minority shareholders in subsidiary	-	-	-	-	-	-	**-**	(11,677)	**(11,677)**
Movements during the year (cumulative)	43,156	-	43,156	1,426	30,033	(86,312)	**31,459**	12,835	**44,294**
Balance as at 31 December 2005	278,001	200,000	115,985	32,351	(394,944)	-	**231,393**	65,812	**297,205**

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.

* Restatement of prior financial statements in relation to a foreign subsidiary are as follows :

Prior to 1 January 2005, a foreign subsidiary was not in compliance with the policy to capitalize loan interests attributed to obtaining qualifying assets which such error had given rise to a restatement that has the effect of decreasing accumulated losses as at 31 December 2003 by RM374,000 and reducing net loss for the year ended 31 December 2004 by RM695,000.

In the previous financial years, the foreign subsidiary had written down the value of certain hotel operating equipment which are currently still in use and overstated its tax liabilities due to mis-application of tax rates and regulations. The financial statements restatements has the effect of reducing accumulated losses as at 31 December 2003 by RM1,190,000 and RM668,000 respectively.

In 2004, the foreign subsidiary had understated its depreciation and amortization expenses in which the retrospective restatement has the effect of increasing net loss for the year ended 31 December 2004 by RM1,148,000.

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.

UEM Group Berhad ("UEM") formerly known as United Engineers (Malaysia) Berhad 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 year under review, FRS 2 has resulted in a charge of approximately RM1,727,000 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 year, showing separately the amounts attributable to equity holders of the company and to minority interests.

The current year'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 year'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 **31/12/2006** RM'000
Non-current assets	
Property, plant and equipment	(3,543)
Intangible assets	3,543
	-

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 year except as disclosed below :

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
	RM'000	RM'000	RM'000	RM'000
Provision of project expenses	(910)	(2,213)	-	-
Impairment of project value	(1,470)	-	(1,470)	-
Provision for diminution in value of real properties	(2,560)	-	(2,560)	-
Provision for diminution in value of investment	(499)	(2,642)	(499)	(2,773)
Bad debts written off	(1,957)	-	(1,957)	
	(7,396)	(4,855)	(6,486)	(2,773)

5. **Material changes in estimates used**

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

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 year ended 31 December 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 any dividend for the current year ended 31 December 2006 (2005: nil).

8. **Segment information for the current financial year**

Segment information for the current financial year to 31 December 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	419,183	162,949	46,807	7,347	1,521	637,807
Results						
Segment results	54,421	51,405	(1,463)	(1,577)	(1,597)	101,189
Finance costs	(1,947)	(26)	(5,039)	-	(5,697)	(12,709)
Profit/(loss) before income tax	52,474	51,379	(6,502)	(1,577)	(7,294)	88,480
Income tax	(14,024)	(9,673)	(33)	(103)	9	(23,824)
Profit/(loss) for the year	38,450	41,706	(6,535)	(1,680)	(7,285)	64,656
Attributable to:						
Equity holders of the company	37,334	25,008	(6,535)	(1,680)	(16,187)	37,940
Minority interests	1,116	16,698	-	-	8,902	26,716
	38,450	41,706	(6,535)	(1,680)	(7,285)	64,656

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 year**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 31 December 2006 to the date of this announcement that would substantially affect the financial results of the Group for the year ended 31 December 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 year 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	173

13. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	10,174

14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	6,885	8,298	39,733	21,904
- (Over)/underprovision in prior years	(7,108)	303	(9,864)	(20)
Deferred tax				
- relating to origination and reversal of temporary differences	-	-	(5,794)	323
- (Over)/underprovision in prior years	-	-	(251)	28
	(223)	8,601	23,824	22,235

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

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

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

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

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

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

Total investments in quoted securities as at 31 December 2006 are as follows:

	RM'000
Total investments at cost	816
Total investments at book value net of accumulated impairment loss.	196
Total investments at market value	196

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.

On 18 January 2007, both FFSB and SREL have fulfilled their obligations as set out in the JVA.

(c) On 8 May 2006, Faber Union Sdn Bhd ("FUSB"), a wholly owned subsidiary company of Faber Development Holdings Sdn Bhd ("DH") 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 ("DBKK") on 15 May 2006 and approved on 4 October 2006. The building plan for the semi-detached houses and link bungalows is presently being finalized for submission to DBKK for approval.

(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, following the expiration of the extension of the MOU on 10 January 2007, both FMS and ASHL had on 10 January 2007 agreed to extend the MOU for a further period of 60 days effective 11 January 2007 until 12 March 2007.

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

(e) On 31 August 2006, FMS entered into a Memorandum of Understanding ("MOU") with Prima Fabrics Pty Ltd ("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.

Following the expiration of the MOU on 29 December 2006, FMS and PFPL have agreed on an extension of the abovementioned MOU for a period of 75 days with effect from 30 December 2006 until 15 March 2007.

FMS and PFPL are 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 (hereafter referred to as 'the 9Bio Project').

FGB and Ekovest (collectively "the Parties") have agreed to use 'Ukasa Bina Sdn Bhd' ("UBSB"), as the incorporated joint venture vehicle, to implement and carry-out the 9Bio Project in accordance with the terms and conditions contained in the JVcSA. UBSB had with effect from 28 October 2006 changed its name to Ekovest-Faber Sdn. Bhd.

(g) FGB had on 20 December 2006 entered into a Joint Venture cum Shareholders' Agreement ("JvcSA") with Matang Holdings Berhad ("Matang") and Advent (M) Sdn Bhd ("Advent") to undertake as joint venture partners, the preparation and submission of proposals and operations of food catering services.

Kesan Suci Sdn Bhd ("KSSB") will be the incorporated joint venture vehicle to undertake the preparation and submission of proposals for food catering services for all hospitals under the Ministry of Health Malaysia as well as for private hospitals or any other food-related establishments. Under the JVcSA, KSSB and/or its subsidiaries will operate the food catering business in the establishments where proposals have been successful.

The participation of the Parties in the equity structure of KSSB shall be FGB (51%), Matang (29%) and Advent (20%).

(h) FGB had on 21 December 2006 entered into a Shareholders' Agreement ("SA") with His Excellency Khalid Ali Al Bustani ("HE Khalid") and Dr. Mohamed Emir Mavani ("Dr Emir") in relation to incorporation of a company in the Emirate of Dubai to carry out business activities related to facilities management.

FGB, HE Khalid and Dr Emir (collectively referred to hereafter as ("the Parties") have agreed to incorporate a limited liability company to be known as 'Faber LLC' ("FLLC") to carry out business activities related to facilities management, such establishment and incorporation to take place as soon as reasonably practicable following execution of the SA.

The participation of the Parties in the equity structure of FLLC shall be FGB (49%) and HE Khalid (51%).

The SA shall be terminated on the grounds of, inter-alia, in the event that FLLC does not procure any business within 1 year following its incorporation, registration and licensing unless mutually extended by the Parties.

The Parties are presently in the process of incorporating FLLC.

18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 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	148,120*	-	**148,120***	-	-	**-**
Other borrowings						
Domestic – Bank	-	-	**-**	19,619	-	**19,619**
Foreign – Bank	56,808	-	**56,808**	4,866	-	**4,866**
Amount owing to corporate shareholder	-	1,063	**1,063**	-	-	**-**
Balance Sum owed to JBSB	38,894	-	**38,894**	-	-	**-**
TOTAL	243,822	9,679	**253,501**	24,485	-	**24,485**

* 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.

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 lower by RM9.4 million or 5.3% to RM168.9 million from RM178.3 million in the preceding quarter. The Property Division recorded a lower revenue of RM34.4 million (preceding quarter : RM58.1 million) mainly due to the lower progress billings in the current quarter. The Facilities Management Healthcare Division recorded a higher revenue of RM114.9 million (preceding quarter : RM108.1 million) due to the recognition of variation orders for additional work done. The Hotel Division recorded a higher revenue of RM17.6 million (preceding quarter: RM9.8 million) with higher Average Occupancy and Room Rate of Sheraton Hanoi due to the APEC Summit held in Hanoi in November 2006.

The Group recorded lower profit before tax ("PBT") for the current quarter of RM18.1 million, as compared to RM34.8 million in the preceding quarter. The Property Division recorded a lower PBT of RM10.5 million (preceding quarter: RM22.2 million) as a result of the lower revenue as explained above. The Facilities Management Healthcare Division also recorded a lower PBT of RM11.2 million (preceding quarter : RM15.9 million) whilst the Hotel Division recorded a profit of RM1.6 million (preceding quarter: loss of RM2.8 million).

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

The Group's revenue for the current quarter of RM168.9 million was 16.1% or RM23.4 million higher than revenue for the corresponding quarter last year of RM145.5 million. This was mainly due to the higher revenue from the progress billings for Property Division. The Facilities Management Healthcare Division recorded a marginally higher revenue due to variation orders for additional works. The Hotel Division recorded higher revenue in the current quarter in line with higher Average Occupancy and Room Rate of Sheraton Hanoi, due to the APEC Summit held in Hanoi in Nov 2006.

For the year-to-date, the Group recorded revenue of RM637.8 million against RM502.2 million for the preceding year corresponding period. The RM135.6 million or 27.0% increase was mainly due to higher revenue from the Property Division, Facilities Management Healthcare Division and Hotel Division by RM82.3 million, RM40.1 million and RM14.1 million respectively.

The Group's current quarter PBT was lower by RM2.6 million to RM18.1 as compared to RM20.7 million in the corresponding quarter last year due to certain provisions made as disclosed in Note 4. The year-to-date PBT of RM88.3 million was RM23.7 million or 36.7% higher against the RM64.6 million PBT in the preceding year corresponding year.

23. **Economic profit**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation				
Earnings before interest and tax ("EBIT")	21,646	23,836	101,189	76,074
Adjusted tax	6,061	6,674	28,333	21,301
NOPAT	**15,585**	**17,162**	**72,856**	**54,773**
Economic charge computation				
Average invested capital	490,635	473,014	490,635	473,014
Weighted average cost of capital	10.30%	9.34%	10.30%	9.34%
Economic charge	**12,636**	**11,047**	**50,542**	**44,187**
Economic profit / (loss)	**2,949**	**6,115**	**22,314**	**10,586**

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 31 December 2006 against the corresponding quarter last year :

EP of RM4.6 million is lower by RM3.2 million as compared to corresponding quarter EP of RM6.1 million mainly due to lower EBIT recorded as well as higher economic charge in line with the increase in average invested capital.

(b) Performance of the current year ended 31 December 2006 against the corresponding year :

EP of RM22.3 million is higher by RM11.7 million as compared to corresponding period EP of RM10.6 million mainly due to higher EBIT as a result of better EBIT recorded by all divisions.

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

The Group expects its performance to improve as a result of enhanced contribution from all business sectors. Overseas expansion will continue to 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	Current financial year	Preceeding year
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Profit for the year (RM)	14,373,000	7,257,000	37,940,000	30,033,000
Weighted average number of shares in issue during the year	286,713,382	269,011,161	286,713,382	251,152,502
Basic EPS	**5.0 sen**	**2.7 sen**	**13.2 sen**	**12.0 sen**
Fully diluted (based on 2006 weighted average: 466,713,382 [2005 : 469,011,161 / 451,152,502] enlarged number of ordinary shares)	**3.0 sen**	**1.5 sen**	**8.1 sen**	**6.7 sen**

By Order of the Board
MAZNAH HARON
LS000497
Company Secretary

Kuala Lumpur
[Date]