

FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2007.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
	RM'000	RM'000	RM'000	RM'000
1. (a) Revenue	169,566	134,239	169,566	134,239
(b) Cost of sales	(113,390)	(90,590)	(113,390)	(90,590)
(c) Gross profit	56,176	43,649	56,176	43,649
(d) Other income	1,411	829	1,411	829
(e) Expenses	(22,814)	(18,340)	(22,814)	(18,340)
(f) Finance costs	(3,094)	(3,003)	(3,094)	(3,003)
(g) Depreciation and amortization	(8,454)	(8,535)	(8,454)	(8,535)
(h) Profit before income tax	23,225	14,600	23,225	14,600
(i) Income tax	(6,524)	(5,833)	(6,524)	(5,833)
(j) Profit for the period	16,701	8,767	16,701	8,767
Attributable to:				
(k) Equity holders of the Company	10,991	5,013	10,991	5,013
(l) Minority interests	5,710	3,754	5,710	3,754
	16,701	8,767	16,701	8,767
2. Earnings per share based on 1(k) above:-				
(a) Basic (based on 2007 weighted average : 298,001,053 [2006 weighted average of : 278,001,053] ordinary shares)	3.7 sen	1.8 sen	3.7 sen	1.8 sen
(b) Fully diluted (based on 2007 weighted average: 478,001,053 [2006 : 478,001,053] enlarged number of ordinary shares)	2.3 sen	1.0 sen	2.3 sen	1.0 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As at end of current quarter 31/3/2007	As at preceding financial year end 31/12/2006
	RM'000	RM'000
ASSETS		
1. Non- current assets		
Property, plant and equipment	286,674	288,887
Land held for property development	45,618	43,823
Prepaid land lease payments	19,706	20,362
Intangible assets	6,773	7,383
Other investments	897	897
Trade and other receivables	4,941	11,763
Deferred tax assets	2,708	4,888
	367,317	378,003
2. Current assets		
Property development costs	94,373	94,155
Inventories	19,906	19,822
Receivables	189,858	184,352
Short term investments	224	196
Short term deposits*	123,821	101,523
Cash and bank balances*	58,797	73,064
	486,979	473,112
Total assets	854,296	851,115

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II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

	Unaudited	Audited
	As at end of current quarter 31/3/2007	As at preceding financial year end 31/12/2006
	RM'000	RM'000
EQUITY AND LIABILITIES		
3. Equity attributable to equity holders of the Company		
Share capital	298,001	298,001
Redeemable Convertible Preference Shares ("RCPS")	180,000	180,000
Reserves:		
Share premium	115,985	115,985
Other reserves	23,805	26,077
Accumulated losses	(347,279)	(358,270)
	270,512	261,793
4. Minority interests	87,815	82,105
Total equity	358,327	343,898
5. Non-current liabilities		
Retirement benefit obligations	1,251	1,281
Provisions	6,500	6,419
Redeemable Secured Loan Stocks ("RSLs")	149,567	148,121
Preference shares ("PS")	8,616	8,616
Borrowings	95,526	96,764
Deferred taxation	9,988	11,682
	271,448	272,883
6. Current liabilities		
Retirement benefit obligations	553	276
Provisions	-	907
Borrowings	16,657	24,485
Payables	201,615	195,311
Tax payable	5,696	13,355
	224,521	234,334
Total liabilities	495,969	507,217
Total equity and liabilities	854,296	851,115
7. Net assets per ordinary share attributable to ordinary equity holders of the Company	RM0.91	RM0.88

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

* Cash, bank balances and short term deposits

Included in the cash, bank balances and short term deposits of the Group is RM43,540,000 (2006 : RM47,456,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 31/3/2007 RM'000	Unaudited Three months to 31/3/2006 RM'000
Operating Activities		
Cash receipts from customers	197,018	115,943
Cash payments to suppliers	(40,354)	(49,761)
Cash payments to employees and for expenses	(120,627)	(55,083)
Cash generated from operations	36,037	11,099
Interest paid	(3,031)	(4,995)
Income taxes paid	(13,504)	(5,266)
Interest received	-	66
Net cash generated from operating activities	19,502	904
Investing Activities		
Interest received	1,432	292
Purchase of property, plant & equipment	(9,516)	(2,575)
Net cash used in investing activities	(8,084)	(2,283)
Financing Activities		
Repayment of Balance Sum owed to Jeram Bintang Sdn Bhd ("JBSB")	-	(125)
Dividend paid to minority shareholders by subsidiary	-	(3,503)
Repayment of term loan	(3,387)	(2,721)
Net cash used in financing activities	(3,387)	(6,349)
Net change in Cash & Cash Equivalent	8,031	(7,728)
Cash & Cash Equivalent as at beginning of financial period	174,587	129,689
Cash & Cash Equivalent as at end of financial period	182,618	121,961
	a)	
	Unaudited As at 31/3/2007 RM'000	Unaudited As at 31/3/2006 RM'000
(a) Cash and Cash Equivalent comprise the following amounts:		
Short term deposits	123,821	58,025
Cash and bank balances	58,797	63,936
	182,618	121,961

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to equity holders of the company →							
	Share Capital	Share Premium	Redeemable Convertible Preference Shares	Other Reserves	Accumulated Losses	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2007 (unaudited)								
Balance as at 1 January 2007	298,001	115,985	180,000	26,077	(358,270)	261,793	82,105	343,898
Exchange fluctuation not recognized in income statement	-	-	-	(2,272)	-	(2,272)	-	(2,272)
Income recognized directly in equity	-	-	-	(2,272)	-	(2,272)	-	(2,272)
Profit for the year	-	-	-	-	10,991	10,991	5,710	16,701
Total recognized income and expense for the year	-	-	-	(2,272)	10,991	8,719	5,710	14,429
Balance as at 31 March 2007	298,001	115,985	180,000	23,805	(347,279)	270,512	87,815	358,327
Three months to 31 March 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	-	-	-	(1,662)	-	(1,662)	-	(1,662)
Expense recognized directly in equity	-	-	-	(1,662)	-	(1,662)	-	(1,662)
Net profit for the period	-	-	-	-	5,013	5,013	3,754	8,767
Total recognized income and expense for the period	-	-	-	(1,662)	5,013	3,351	3,754	7,105
Dividend paid to minority shareholders in subsidiary	-	-	-	-	-	-	(3,503)	(3,503)
Balance as at 31 March 2006	278,001	200,000	115,985	30,689	(389,931)	234,744	66,063	300,807

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 2006.

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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 2006.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared in accordance with the requirements of FRS 134²⁰⁰⁴ : 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 2006.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective 1 January 2007:

Amendment to FRS 119²⁰⁰⁴: Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosure.

The adoption of the Amendment to FRS 119²⁰⁰⁴ does not have any impact to the Group.

2. Audit report in respect of the 2006 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2006 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.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in 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 period ended 31 March 2007.

However, following the receipt by FGB of the Notice of Conversion ("the Notice") of 20,000,000 of RM1.00 Nominal Value of 8-year Redeemable Convertible Preference Shares ("RCPS") from Jeram Bintang Sdn Bhd ("JBSB"), FGB had on 3 April 2007 issued 20,000,000 Ordinary Shares of RM1.00 ("the New Ordinary Shares") to Universal Trustee (Malaysia) Berhad ("the Trustee").

The Notice is in respect of conversion by JBSB of 20,000,000 RCPS into the New Ordinary Shares in FGB is in accordance to the Subscription Agreement constituting up to RM200,000,000.00 RCPS between FGB and JBSB dated 17 September 2004. JBSB having exercised the conversion rights had instructed Faber to allocate the New Ordinary Shares to the Trustee as custodian pursuant to the security arrangement in relation to JBSB's Redeemable Secured Bond.

The Notice is in respect of the conversion rights attached to the RCPS for the period commencing from 30 September 2004 ("the Issue Date") of the RCPS and ending on the second anniversary of the Issue Date. Following the above and including the conversion of 20,000,000 RCPS in July 2006, JBSB has exercised the conversion of 40,000,000 RCPS.

The New Ordinary Shares of RM1.00 each was granted listing and quotation on 10 April 2007.

7. Dividend

The Directors do not recommend the payment of an interim dividend for the current period ended 31 March 2007 (2006: nil).

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

Segment information for the current financial period to 31 March 2007 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						
External sales	108,263	45,099	12,920	1,841	1,443	169,566
Results						
Segment results	14,665	11,286	892	22	(546)	26,319
Finance costs	(468)	(7)	(1,172)	-	(1,447)	(3,094)
Profit/(loss) before income tax	14,197	11,279	(280)	22	(1,993)	23,225
Income tax	(4,056)	(2,461)	-	(7)	-	(6,524)
Profit/(loss) for the period	10,141	8,818	(280)	15	(1,993)	16,701
Attributable to:						
Equity holders of the Company	9,624	6,491	(280)	15	(4,859)	10,991
Minority interests	517	2,327	-	-	2,866	5,710
	10,141	8,818	(280)	15	(1,993)	16,701

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 31 March 2007 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2007 that have not been reflected in the condensed financial statements.

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 2006 except as disclosed below:

Description of contingent liabilities	RM'000
Decrease in claim for alleged non-payment of debts	850

13. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	11,319

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14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	6,524	5,833	6,524	5,833

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 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 31 March 2007 are as follows:

	RM'000
Total investments at cost	816
Total investments at book value net of accumulated impairment loss	224
Total investments at market value	224

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 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 with UEM Group Berhad (formerly known as 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 was approved by DBKK on 29 December 2006. Presently, FUSB is in the process of making the application for the housing permit from the relevant authorities.

- (c) 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-ASHL") with Apollo Sindoori Hotels Limited ("ASHL") in relation to collaboration in inter-alia, bio-medical and facility engineering maintenance services, cleansing services, housekeeping

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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-ASHL, following the expiration of the extension of the MOU-ASHL on 12 March 2007, both FMS and ASHL had on 15 March 2007 agreed to extend the MOU-ASHL for a further period of 45 days effective 13 March 2007 until 26 April 2007.

Following the expiration of the MOU-ASHL on 26 April 2007, FMS and ASHL (collectively "the Parties") have decided against a further extension of the abovementioned MOU and neither would the Parties enter into a joint venture agreement as contemplated under the MOU ("the JVA")

However, FGB and ASHL have agreed to review the proposal with a view of determining whether to take the subject matter further.

- (d) On 4 September 2006, FGB entered into a Joint Venture cum Shareholders' Agreement ("JvcSA-Ekovest") 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-Ekovest. UBSB had with effect from 28 October 2006 changed its name to Ekovest-Faber Sdn. Bhd.

- (e) FGB had on 20 December 2006 entered into a Joint Venture cum Shareholders' Agreement ("JvcSA-Matang Advent") 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-Matang Advent, KSSB and/or its subsidiaries will operate the food catering business in the establishments where proposals have been successful.

KSSB was incorporated on 12 September 2005 with an authorized capital of RM100,000.00 divided in 100,000 Ordinary shares of RM1.00 each.

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

FGB had on 2 March 2007 acquired the entire issued and paid-up share capital of KSSB, consisting of 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

Pursuant to the JvcSA, the authorized capital of KSSB shall be increased to RM5 million and FGB, Matang and Advent shall subscribe to the shares in KSSB such that the issued and paid-up share capital of KSSB will be increased to RM5 million accordingly.

- (f) 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 one year following its incorporation, registration and licensing unless mutually extended by the Parties.

The Parties are presently in the process of incorporating FLLC.

- (g) FMS had on 28 February 2007 entered into a Joint Venture Agreement ("JVA-BTS") with Brufors Technical Services ("BTS") to undertake the provision of Building and Facilities Maintenance Services, Bio-medical Engineering Maintenance Services, Cleansing and Janitorial Services, Linen and Laundry Services, Clinical Waste Management and Central Management Information Services ("the Brunei Project") via a joint venture company in Brunei Darussalam.

FMS and BTS (collectively "the Parties") have agreed to incorporate a company ("the JVCo-Brunei") registered in Brunei Darussalam for the Brunei Project and the participation of the Parties in the equity structure of the JVCo-Brunei shall be FMS (70%) and BTS (30%).

Pursuant to the JVA-BTS, the authorised capital of the JVCo-Brunei is Brunei Dollars ("BND") 100,000.00 only divided into 100,000 Ordinary Shares of BND1.00 each and the initial issued and paid up capital of the JVCo-Brunei is BND1,000.00 only divided into 1,000 Ordinary Shares of BND1.00 each of which both may be increased from time to time.

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The Parties are presently in the process of satisfying the conditions precedents of the JVA-BTS.

- (h) On 21 March 2007, FMS entered into a Joint Venture Agreement ("JJVA-PFPL & Faber L&L") with PFPL and Faber Linen and Laundry Pty Ltd ("Faber L&L") in relation to the collaboration on an exclusive basis in respect of operating a laundry plant in Australia for the purposes of providing linen and laundry services ("the Australia Project"). The entry by FMS into the JVA-PFPL & Faber L&L was contemplated in the Memorandum of Understanding dated 31 August 2006 entered into between FMS and PFPL.

Under the terms of the JVA-PFPL & Faber L&L, both FMS and PFPL will hold 60% and 40% respectively in the issued and paid-up share capital of Faber L&L, a company incorporated in the state of New South Wales, Australia and designated as the joint venture company for the purposes of the Australian Project.

The initial issued and paid up share capital of Faber L&L shall be AUD250,000.00 only divided into 250,000 Ordinary shares issued at AUD1.00 each, which may be increased from time to time.

The Parties are presently in the process of satisfying the conditions precedents of the JVA-PFPL & Faber L&L.

18. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 March 2007 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
<u>Debt securities</u>						
PS	-	8,616	8,616	-	-	-
RSLs	149,567*	-	149,567*	-	-	-
<u>Other borrowings</u>						
Domestic – Bank	-	-	-	14,170	-	14,170
Foreign – Bank	55,569	-	55,569	2,487	-	2,487
Amount owing to corporate shareholder	-	1,063	1,063	-	-	-
Balance Sum owing to JBSB	38,894	-	38,894	-	-	-
TOTAL	244,030	9,679	253,709	16,657	-	16,657

* 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.

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

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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. Our solicitors have filed in the necessary allocation and are still awaiting the extraction of the same to be served on the plaintiff.

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 higher by RM0.7 million or 0.4% to RM169.6 million from RM168.9 million in the preceding quarter. The Property Division recorded a higher revenue of RM45.1 million (preceding quarter : RM34.4 million) mainly due to the higher progress billings in the current quarter. The Facilities Management Healthcare Division recorded a lower revenue of RM108.3 million (preceding quarter : RM114.8 million) due to lower recognition of variation orders for additional work done. The Hotel Division recorded a lower revenue of RM12.9 million (preceding quarter: RM17.6 million) with lower Average Occupancy and Room Rate of Sheraton Hanoi due to the off peak season for the current quarter.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM23.2 million, as compared to RM19.4 million in the preceding quarter. The Property Division recorded a higher PBT of RM11.3 million (preceding quarter: RM10.5 million) as a result of the higher revenue as explained above. The Facilities Management Healthcare Division also recorded a higher PBT of RM14.2 million (preceding quarter : RM11.1 million) whilst the Hotel Division recorded a loss of RM0.3 million (preceding quarter : profit of RM1.7 million).

22. Review of performance for the current quarter

The Group's revenue for the current quarter of RM169.6 million was 26.4% or RM35.4 million higher than revenue for the corresponding quarter last year of RM134.2 million. This was mainly due to the higher revenue from the progress billings for Property Division. The Facilities Management Healthcare Division recorded a higher revenue due to higher clinical waste management works and facilities engineering maintenance works. The Hotel Division recorded higher revenue in the current quarter in line with higher Average Occupancy and Room Rate of Sheraton Hanoi.

The Group's current quarter PBT was higher by RM8.6 million to RM23.2 million as compared to RM14.6 million in the corresponding quarter last year due to higher turnover for all divisions except for Facility Management – Non Healthcare Division.

23. Economic profit

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax</u>				
<u>("NOPAT") computation</u>				
Earnings before interest and tax ("EBIT")	25,106	17,311	25,106	17,311
Adjusted tax	6,779	4,847	6,779	4,847
NOPAT	18,327	12,464	18,327	12,464
<u>Economic charge computation</u>				
Average invested capital	476,714	498,232	476,714	498,232
Weighted average cost of capital	12.0%	9.5%	12.0%	9.5%
Economic charge	14,263	11,834	14,263	11,834
Economic profit / (loss)	4,064	630	4,064	630

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

FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

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.

Performance of the current quarter ended 31 March 2007 against the corresponding quarter last year :

EP of RM4.1 million is higher by RM3.5 million as compared to corresponding quarter EP of RM0.6 million mainly due to higher EBIT recorded.

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

The Group expects its performance to improve as a result of enhanced contribution from all business sectors. The overseas expansion is targeted 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	Three months to	Three months to
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
Profit for the period (RM)	10,991,000	5,013,000	10,991,000	5,013,000
Weighted average number of shares in issue during the period	298,001,053	278,001,053	298,001,053	278,001,053
Basic EPS	3.7 sen	1.8 sen	3.7 sen	1.8 sen
Fully diluted (based on 2007 weighted average: 478,001,053 [2006 : 478,001,053] enlarged number of ordinary shares)	2.3 sen	1.0 sen	2.3 sen	1.0 sen

Kuala Lumpur
24th day of May, 2007

By Order of the Board
MAZNAH HARON (LS000497)
SURIATI ASHARI (LS0009029)
Company Secretaries