FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007.

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
			30/9/2007	**30/9/2006**	**30/9/2007**	**30/9/2006**
			RM'000	RM'000	RM'000	RM'000
1.	(a)	**Revenue**	**191,774**	**178,332**	**539,277**	**468,903**
	(b)	Cost of sales	(125,183)	(112,607)	(354,954)	(309,049)
	(c)	Gross profit	66,591	65,725	184,323	159,854
	(d)	Other income	1,157	3,476	4,205	5,621
	(e)	Expenses	(25,358)	(22,700)	(74,008)	(60,522)
	(f)	Finance costs	(3,126)	(3,230)	(9,294)	(9,384)
	(g)	Depreciation and amortization	(8,686)	(8,442)	(25,529)	(25,410)
	(h)	**Profit before income tax**	**30,578**	**34,829**	**79,697**	**70,159**
	(i)	Income tax	(7,299)	(10,658)	(21,106)	(24,047)
	(j)	**Profit for the period**	**23,279**	**24,171**	**58,591**	**46,112**
		Attributable to:				
	(k)	Equity holders of the Company	16,832	10,133	40,419	23,567
	(l)	Minority interests	6,447	14,038	18,172	22,545
			23,279	**24,171**	**58,591**	**46,112**
2.		**Earnings per share based on 1(k) above:-**				
	(a)	Basic (based on 2007 weighted average : 338,001,053/320,345,375 [2006 weighted average of : 292,889,942] ordinary shares)	**5.0 sen**	**3.5 sen**	**12.6 sen**	**8.0 sen**
	(b)	Fully diluted (based on 2007 weighted average: 478,001,053/460,345,375 [2006 : 472,889,942] enlarged number of ordinary shares)	**3.5 sen**	**2.1 sen**	**8.8 sen**	**5.0 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 As at end of current quarter 30/09/2007	Audited As at preceding financial year end 31/12/2006
	RM'000	RM'000
ASSETS		
1. Non- current assets		
Property, plant and equipment	281,247	288,887
Land held for property development	51,033	43,823
Prepaid land lease payments	18,957	20,362
Intangible assets	5,999	7,383
Other investments	897	897
Trade and other receivables	4,183	11,763
Deferred tax assets	3,099	4,888
	365,415	378,003
2. Current assets		
Property development costs	101,894	94,155
Inventories	22,804	19,822
Receivables	210,479	184,352
Short term investments	424	196
Short term deposits*	110,892	101,523
Cash and bank balances*	60,245	73,064
	506,738	473,112
Total assets	**872,153**	**851,115**

II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

		Unaudited	Audited
		As at end of current quarter	**As at preceding financial year end**
		30/09/2007	**31/12/2006**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3.	Equity attributable to equity holders of the Company		
	Share capital	338,001	298,001
	Redeemable Convertible Preference Shares ("RCPS")	140,000	180,000
	Share premium	115,985	115,985
	Other reserves	26,364	26,077
	Accumulated losses	(322,786)	(358,270)
		297,564	261,793
4.	Minority interests	96,031	82,105
	Total equity	393,595	343,898
5.	Non-current liabilities		
	Retirement benefit obligations	1,282	1,281
	Provisions	6,081	6,419
	Redeemable Secured Loan Stocks ("RSLS")	152,491	148,121
	Preference shares ("PS")	8,616	8,616
	Borrowings	92,237	96,764
	Deferred tax liabilities	9,502	11,682
		270,209	272,883
6.	Current liabilities		
	Retirement benefit obligations	1,044	276
	Provisions	-	907
	Borrowings	6,683	24,485
	Payables	198,966	195,311
	Tax payable	1,656	13,355
		208,349	234,334
	Total liabilities	478,558	507,217
	Total equity and liabilities	**872,153**	**851,115**
7.	**Net assets per ordinary share attributable to ordinary equity holders of the Company**	**RM0.88**	**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 RM51,241,000 (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 Nine months to 30/9/2007	Unaudited Nine months to 30/9/2006
Operating Activities		RM'000	RM'000
Cash receipts from customers		573,023	466,848
Cash payments to suppliers		(294,705)	(193,662)
Cash payments to employees and for expenses		(190,807)	(195,578)
Cash generated from operations		87,511	77,608
Interest paid		(7,919)	(9.972)
Income taxes paid		(31,400)	(15,475)
Net cash generated from operating activities		48,192	52,161
Investing Activities			
Interest received		3,568	1,171
Purchase of property, plant & equipment		(23,817)	(10,041)
Net cash used in investing activities		(20,249)	(8,870)
Financing Activities			
Repayment of Balance Sum owed to Jeram Bintang Sdn Bhd ("JBSB")		(2,097)	(2,844)
Drawdown of long term loan		-	2,000
Dividend paid to shareholders		(4,935)	-
Dividend paid to minority shareholders by subsidiary		(4,736)	(6,422)
Preference dividend paid to minority shareholders by subsidiary		(2,483)	(2,855)
Repayment of term loan		(17,632)	(17,511)
Interest paid		-	(168)
Proceed from issuance of shares to minority shareholders		490	-
Net cash used in financing activities		(31,393)	(27,800)
Net change in Cash and Cash Equivalents		**(3,450)**	**15,491**
Cash and Cash Equivalents as at beginning of financial period		174,587	129,689
Cash and Cash Equivalents as at end of financial period	**(a)**	**171,137**	**145,180**

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

	Unaudited As at 30/9/2007	Unaudited As at 30/9/2006
	RM'000	RM'000
Short term deposits	110,892	71,981
Cash and bank balances	60,245	73,199
	171,137	**145,180**

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	**Redeemable Convertible Preference Share**	**Share Premium**	**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**
Nine months to 30 September 2007 (unaudited)								
Balance as at 1 January 2007	298,001	180,000	115,985	26,077	(358,270)	**261,793**	82,105	**343,898**
Currency translation differences, representing expense recognized directly in equity	-	-	-	(1,074)	-	**(1,074)**	-	**(1,074)**
Profit for the period	-	-	-	-	40,419	**40,419**	18,172	**58,591**
Total recognized income and expense for the period	-	-	-	(1,074)	40,419	**39,345**	18,172	**57,517**
Conversion of RCPS	40,000	(40,000)	-	-	-	**-**	-	**-**
Dividend paid to shareholders and minority shareholders of a subsidiary	-	-	-	-	(4,935)	**(4,935)**	(4,736)	**(9,671)**
Share-based payment	-	-	-	1,361	-	**1,361**	-	**1,361**
Acquisition of subsidiary	-	-	-	-	-	**-**	490	**490**
Balance as at 30 September 2007	338,001	140,000	115,985	26,364	(322,786)	**297,564**	96,031	**393,595**
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**
Currency translation differences, representing 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**

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.

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 by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") except for the early adoption of the following revised Financial Reporting Standards ("FRS") effective 1 January 2007 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoptions of the above revised FRSs do not have any impact to the existing accounting policies of 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 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

With the exception of the following issuance of shares by Faber Group Berhad ("FGB"), 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 30 September 2007:

(i) issuance of 20,000,000 ordinary shares of RM1.00 each to Universal Trustee (Malaysia) Berhad ("the Trustee") on 3 April 2007, and

(ii) issuance of 20,000,000 ordinary shares of RM1.00 each to the Trustee on 15 May 2007,

The issuance of the above shares of FGB to the Trustee is in respect of conversion by JBSB of RM1.00 Nominal Value of 8-year Redeemable Convertible Preference Shares and 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 FGB to allocate the new ordinary shares arising from the above RCPS conversions to the Trustee as custodian pursuant to the security arrangement in relation to JBSB's Redeemable Secured Bond.

Following the above conversions and including the conversion of 20,000,000 RCPS in July 2006, JBSB has exercised the conversion of 60,000,000 RCPS.

The new ordinary shares of RM1.00 each arising from (i) and (ii) were granted listing and quotation on 10 April 2007 and 21 May 2007 respectively.

7. **Dividend**

The first and final dividend of RM0.02 per ordinary share of RM1.00 each less 27% taxation in respect of financial year ended 31 December 2006 was paid on 27 June 2007 (2006 : nil).

The Directors do not recommend the payment of an interim dividend for the current period ended 30 September 2007 (2006 : nil).

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

Segment information for the current financial period to 30 September 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	330,848	159,409	40,037	4,635	4,348	539,277
Results						
Segment results	43,885	46,652	2,994	172	(4,712)	88,991
Finance costs	(1,395)	(20)	(3,507)	-	(4,372)	(9,294)
Profit/(loss) before income tax	42,490	46,632	(513)	172	(9,084)	79,697
Income tax	(12,141)	(9,199)	(4)	(50)	288	(21,106)
Profit/(loss) for the period	30,349	37,433	(517)	122	(8,796)	58,591
Attributable to:						
Equity holders of the Company	28,924	28,579	(517)	122	(16,689)	40,419
Minority interests	1,425	8,854	-	-	7,893	18,172
	30,349	37,433	(517)	122	(8,796)	58,591

9. **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 2007 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2007 that have not been reflected in the condensed financial statements.

10. **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 except for the following:

(a) 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 Ekovest-Faber Sdn Bhd ("Ekovest-Faber"), 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.

On 9 October 2007, Ekovest and FGB completed the subscription of the following number of shares in Ekovest-Faber :

- 599,998 ordinary shares of RM1.00 each by Ekovest, and
- 400,000 ordinary shares of RM1.00 each by FGB.

Following the above shares subscriptions and 2 ordinary shares of RM1.00 already held by Ekovest, Ekovest and FGB respectively hold 60% and 40% of the issued and paid-up share capital of Ekovest-Faber. Accordingly, Ekovest-Faber had with effect from the above date, became a 40% associate company of FGB.

(b) 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 into 100,000 ordinary shares of RM1.00 each.

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

On 28 June 2007, FGB, Matang and Advent completed the subscription of the following number of shares in KSSB:

- 509,998 ordinary shares of RM1.00 each by FGB,
- 290,000 ordinary shares of RM1.00 each by Matang, and
- 200,000 ordinary shares of RM1.00 each by Advent.

Following the completion of the above share subscription and 2 ordinary shares of RM1.00 each already held by FGB, KSSB had on 28 June 2007 became a 51% subsidiary company of FGB.

11. **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
Increase in claim for alleged non-payment of debts	155

12. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	14,900

13. **Income tax**

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2007	**30/9/2006**	**30/9/2007**	**30/9/2006**
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	7,690	10,658	21,497	24,047
- deferred tax relating to origination and reversal of temporary differences	(391)	-	(391)	-
	7,299	10,658	21,106	24,047

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

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

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

15a). **Acquisitions and disposals of quoted securities**

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

15b). **Investments in quoted securities**

Total investments in quoted securities other than securities in existing subsidiaries and associates are as follows:

	As at **30/9/2007** RM'000
Total investments at cost	816
Total investments at book value net of accumulated impairment loss	424
Total investments at market value	424

16. **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.

The MVL of IQSB has yet to be completed.

(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).

The application for Housing Developers' License and Sales and Advertising Permit had been submitted to the Ministry of Local Housing of Sabah ("the Ministry") together with the bank guarantee for approval by the Ministry on 1 November 2007.

(c) 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.

FGB, HE Khalid and Dr Emir are presently in the process of incorporating FLLC.

(d) Faber Medi-Serve Sdn Bhd ("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.

On 15 June 2007, FGB released an announcement on the fulfillment of the conditions precedents in connection with the JVCo-Brunei and on the solicitors of FMS and BTS finalizing the necessary with regard to the incorporation and registration of the joint venture company in Negara Brunei Darussalam, namely Faber Brufors Maintenance Sdn Bhd ("Faber Brufors Maintenance"). FGB had on 15 November 2007 received the notification from FMS's solicitors on the incorporation of Faber Brufors Maintenance with effect from 1 November 2007.

(e) On 21 March 2007, FMS entered into a Joint Venture Agreement (''JVA-PFPL & Faber L&L'') with Prima Fabrics Pty Ltd ("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 Australia 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.

In accordance to the provisions of the JVA-PFPL & Faber L&L, the Parties have determined for the conditions precedent to the JVA-PFPL & Faber L&L to be met within a period of 4 months from the date of the JVA-PFPL & Faber L&L or such other period as the Parties may mutually agree in writing. The Parties had on 1 August 2007 agreed to extend further the time for fulfillment of the conditions precedent as set out in the JVA-PFPL & Faber L&L until 20 September 2007. Following the above, the Parties had on 26 September 2007 agreed to extend further the time for fulfillment of the conditions precedent as set out in the JVA-PFPL & Faber L&L from 20 September 2007 to 30 November 2007.

(f) On 26 June 2007, FGB announced the entry by Faber Facilities Sdn Bhd ("FFSB"), a wholly owned subsidiary company of FGB into a Joint Venture Agreement ("JVA-ASHL") 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 ("the India-JVCo").

In accordance to the provisions of the JVA-ASHL, ASHL had on 27 August 2007 procured the incorporation of the India-JVCo, namely Faber Sindoori Management Services Private Limited.

The issued and paid-up share capital of the India-JVCo shall be held by FFSB and ASHL (collectively 'the Parties') in the ratio of 51:49 respectively and the same shall be maintained by the Parties at all times.

In accordance with the provisions of the JVA-ASHL, the conditions precedent to the JVA-ASHL are to be met within a period of 4 months from the date of the JVA-ASHL of 25 June 2007 i.e. 24 October 2007 or such other period as the Parties may mutually agree in writing. However, the Parties had on 25 October 2007 agreed to extend further the time for fulfillment of the conditions precedent as set out in the JVA-ASHL for a further period of 98 days until 31 January 2008.

17. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 September 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**
Debt securities						
PS	-	8,616	**8,616**	-	-	**-**
RSLS	152,491*	-	**152,491***	-	-	**-**
Other borrowings						
Domestic – Bank	-	-	**-**	4,226	-	**4,226**
Foreign – Bank	54,909	-	**54,909**	2,457	-	**2,457**
Amount owing to corporate shareholder	-	532	**532**	-	-	**-**
Balance Sum owing to JBSB	36,796	-	**36,796**	-	-	**-**
TOTAL	244,196	9,148	**253,344**	6,683	-	**6,683**

* 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.

18. **Off Balance Sheet financial instruments**

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

19. **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), the Defendant, which is the owner of the land held under HS (D) 4764 P.T. 1834 (Geran 10869 Lot 35283), Mukim and District of Kuala Lumpur (the "Faber Land") and NHSB, the Plaintiff, which was the intended buyer of the Faber Land, in respect of an alleged wrongful termination of the sale of the Faber Land together with the development rights in relation to the Faber Land. The claim made by the Plaintiff on 22 July 1992 was for a total sum of RM26,400,000.00. On 8 January 1996, the Plaintiff obtained a judgement in default against the defendant for the sum of RM26,178,880.00, which was set aside on 25 April 1996.

The matter was fixed for continued hearing for trial on 24 June 2003 and 21 July 2003. Both parties’ cases had been closed and written submissions were filed on 11 December 2003. After a number of adjournment on the hearing of the submissions, the Judge had on 14 January 2004, dismissed the Plaintiff’s claim with cost. The Plaintiff filed a Notice of Appeal to the Court of Appeal on 12 February 2004 under Court of Appeal Civil No. W-02-871-04 wherein on 24 September 2007 the same was dismissed with cost to be taxed. No leave for Appeal to the Federal Court till to date has been filed. In the mean time, the Taxation on the Appeal No. W-82-636-1996 have been extracted and the fair/sealed order of alocature has been served on the Plaintiff Solicitors on a total cost of RM23,671.30. In respect of the Taxation for the High Court Suit above, our Solicitors are awaiting for the extraction of the draft order of alocature from the Courts for a taxed cost of RM73,500.00.

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.

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

The Group’s revenue for the current quarter was higher by RM13.9 million or 7.8% to RM191.8 million from RM177.9 million in the preceding quarter. The Property Division recorded a higher revenue of RM61.8 million (preceding quarter: RM52.5 million) mainly due to higher take up rate in the current quarter for Laman Rimbunan Phase 1A – Terrace Houses and Laman Rimbunan Phase 2. The Hotel Division also recorded a higher revenue of RM15.2 million (preceding quarter: RM11.9 million) due to higher Average Occupancy and Room Rate of Sheraton Hanoi. The Facilities Management Healthcare Division also recorded a marginally higher revenue of RM111.7 million (preceding quarter : RM110.9 million) due to the increase of collection of clinical waste and linen supply at newly built hospitals such in Sarikei, Sg Petani, Kunak, Pitas and Kuala Penyu.

The Group recorded higher profit before tax (“PBT”) for the current quarter of RM30.6 million, as compared to RM25.9 million in the preceding quarter. The Property Division recorded a higher PBT of RM19.0 million (preceding quarter: RM16.3 million) as a result of the higher revenue as explained above. The Facilities Management Healthcare Division also recorded a higher PBT of RM15.5 million (preceding quarter : RM12.8 million) whilst the Hotel Division recorded a profit of RM0.8 million (preceding quarter : loss of RM1.0 million).

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

The Group’s revenue for the current quarter of RM191.8 million was 7.6% or RM13.5 million higher than the corresponding quarter last year of RM178.3 million. This was mainly due to the higher revenue from the Hotel Division by RM5.3 million in line with higher Average Occupancy and Room Rate of Sheraton Hanoi contributed by transient and group business sections. The Property Division also recorded a higher revenue from the progress billings for Laman Rimbunan and Rimbunan Avenue Phase 4C (shop office) projects. The increase in the Facilities Management Healthcare Division revenue by RM3.6 million was contributed by the newly built hospitals and new businesses.

For the year-to-date, the Group recorded a revenue of RM539.3 million against RM468.9 million for the preceding year corresponding period. This RM70.4 million or 15.0% increase was mainly due to higher revenue by Facilities Management Healthcare Division, Property Division and Hotel Division by RM26.5 million, RM30.8 million and RM10.8 million respectively.

The Group’s current quarter PBT was lower by RM4.2 million to RM30.6 million as compared to RM34.8 million in the corresponding quarter last year and year-to-date PBT of RM79.7 million against RM70.2 million in the preceding year corresponding period .

22. **Economic profit ("EP") statement**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2007	**30/9/2006**	**30/9/2007**	**30/9/2006**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	32,712	38,180	85,467	78,212
Adjusted tax	(8,832)	(10,690)	(23,076)	(21,899)
NOPAT	**23,880**	**27,490**	**62,391**	**56,313**
Economic charge computation:				
Average invested capital	489,018	505,281	489,018	505,281
Weighted average cost of capital ("WACC")	12.6%	10.2%	12.6%	10.2%
Economic charge	**15,419**	**12,931**	**46,256**	**38,792**
EP	**8,461**	**14,559**	**16,135**	**17,521**

The EP statement is as prescribed under the Government Linked Companies transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

(a) Performance of the current quarter ended 30 September 2007 against the corresponding quarter last year :

EP of RM8.5 million is lower by RM6.1 million as compared to the preceding year corresponding quarter of RM14.6 million mainly due to a lower EBIT recorded as well as higher WACC due to higher beta and higher cost of equity.

(b) Performance of the current period ended 30 September 2007 against the corresponding period last year :

EP of RM16.1 million is lower by RM1.4 million as compared to the preceding year corresponding period of RM17.5 million mainly due to higher WACC due to higher cost of equity.

23. **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 business expansion is part of the Group's growth strategy.

The achievement on the headline key performance indicators ("KPI") is as follows:

	September 2007 (9 months) Actual	December 2007 (12 months) Target
Headline KPI		
Revenue Growth	12.7% (annualized)	9.0%
Return on Equity	13.6%	14.0%

The Group is on track to meet its 2007 headline KPIs.

24. **Profit forecast**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2007	**30/9/2006**	**30/9/2007**	**30/9/2006**
Profit attributable to equity holders of the Company (RM)	16,832,000	10,133,000	40,419,000	23,567,000
Weighted average number of ordinary shares in issue	338,001,053	292,889,942	320,345,375	292,889,942
Basic EPS	**5.0 sen**	**3.5 sen**	**12.6 sen**	**8.0 sen**
Fully diluted (based on 2007 weighted average: 478,001,053 / 460,345,375 [2006 :472,889,942] enlarged number of ordinary shares)	**3.5 sen**	**2.1 sen**	**8.8 sen**	**5.0 sen**

By Order of the Board
SURIATI ASHARI (LS0009029)
Secretary

Kuala Lumpur
Date : 15 November 2007