

**FABER GROUP BERHAD**  
**(5067-M)**  
**Incorporated in Malaysia**

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008.

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
Note	31/3/2008	31/3/2007 (As Restated)	31/3/2008	31/3/2007 (As Restated)	31/3/2007 (As Restated)
		RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>					
1	(a) <b>Revenue</b>	<b>168,564</b>	<b>156,646</b>	<b>168,564</b>	<b>156,646</b>
	(b) Cost of sales	(115,970)	(109,682)	(115,970)	(109,682)
	(c) Gross profit	52,594	46,964	52,594	46,964
	(d) Other income	2,489	1,326	2,489	1,326
	(e) Expenses	(21,352)	(18,447)	(21,352)	(18,447)
	(f) Finance costs	(1,993)	(1,922)	(1,993)	(1,922)
	(g) Depreciation and amortization	(4,921)	(4,416)	(4,921)	(4,416)
	(h) <b>Profit before income tax</b>	<b>26,817</b>	<b>23,505</b>	<b>26,817</b>	<b>23,505</b>
	(i) Income tax	(8,475)	(6,524)	(8,475)	(6,524)
	(j) <b>Profit for the period from continuing operations</b>	<b>18,342</b>	<b>16,981</b>	<b>18,342</b>	<b>16,981</b>
<b>Discontinued Operations</b>					
	(k) Profit/(loss) for the period from discontinued operations	11 96,452	(280)	96,452	(280)
	(l) Profit for the period	114,794	16,701	114,794	16,701
Attributable to:					
	(m) Equity holders of the Company	108,745	10,991	108,745	10,991
	(n) Minority interests	6,049	5,710	6,049	5,710
		<b>114,794</b>	<b>16,701</b>	<b>114,794</b>	<b>16,701</b>

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**I. CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
		<b>31/3/2008</b>	<b>31/3/2007</b>	<b>31/3/2008</b>	<b>31/3/2007</b>
			(As Restated)		(As Restated)
2.	<b>Earnings/(loss) per share based on 1(m) above:-</b>				
	(a) Basic (based on 2008 weighted average : 363,001,053 [2007 weighted average of : 298,001,053] ordinary shares)				
	Earnings per share attributable to equity holders of the Company				
	Profit from continuing operations	3.39 sen	3.78 sen	3.39 sen	3.78 sen
	Profit/(loss) from discontinued operations	26.57 sen	(0.09) sen	26.57 sen	(0.09) sen
	Profit for the period	<u>29.96 sen</u>	<u>3.69 sen</u>	<u>29.96 sen</u>	<u>3.69 sen</u>
	(b) Fully diluted (based on 2008 weighted average: 478,001,053 [2007 : 478,001,053] enlarged number of ordinary shares)				
	Earnings per share attributable to equity holders of the Company				
	Profit from continuing operations	2.57 sen	2.36 sen	2.57 sen	2.36 sen
	Profit/(loss) from discontinued operations	20.18 sen	(0.06) sen	20.18 sen	(0.06) sen
	Profit for the period	<u>22.75 sen</u>	<u>2.30 sen</u>	<u>22.75 sen</u>	<u>2.30 sen</u>

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

		Unaudited	Audited
		As at end of current quarter	As at preceding financial year end
	Note	31/3/2008	31/12/2007
		RM'000	RM'000
<b>ASSETS</b>			
1	Non-current assets		
	Property, plant and equipment	90,942	91,261
	Land held for property development	33,983	49,946
	Prepaid land lease payments	2,960	2,980
	Intangible assets	5,113	5,551
	Other investments	1,171	1,171
	Receivables	2,982	2,982
	Deferred tax assets	1,960	4,834
		139,111	158,725
2	Current assets		
	Property development costs	104,295	65,902
	Inventories	25,044	23,270
	Receivables	217,048	212,112
	Short term investments	388	368
	Short term deposits*	376,975	170,851
	Cash and bank balances*	61,919	47,334
		785,669	519,837
3	Assets of disposal group classified as held for sale	-	211,424
	Total assets	<b>924,780</b>	<b>889,986</b>

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**II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)**

		Unaudited	Audited
		As at end of current quarter	As at preceding financial year end
		31/3/2008	31/12/2007
		RM'000	RM'000
Note			
<b>EQUITY AND LIABILITIES</b>			
4	Equity attributable to equity holders of the Company		
	Share capital	363,001	363,001
	Redeemable Convertible Preference Shares ("RCPS")	115,000	115,000
	Share premium	115,985	115,985
	Other reserves	(2,683)	13,542
	Accumulated losses	(202,498)	(311,243)
		388,805	296,285
5	Minority interests	106,732	106,389
	<b>Total equity</b>	<b>495,537</b>	<b>402,674</b>
6	Non-current liabilities		
	Retirement benefit obligations	2,166	2,166
	Provisions	642	642
	Redeemable Secured Loan Stocks ("RSLs")	155,549	154,045
	Preference shares ("PS")	7,496	7,496
	Borrowings	36,359	36,359
	Deferred tax liabilities	6,656	7,685
		208,868	208,393
7	Current liabilities		
	Retirement benefit obligations	489	388
	Provisions	1,913	1,905
	Preference shares	1,120	1,120
	Borrowings	1,468	818
	Payables	212,543	204,923
	Tax payable	2,842	2,656
		220,375	211,810
8	Liabilities of disposal group classified as held for sale	-	67,109
	<b>Total liabilities</b>	<b>429,243</b>	<b>487,312</b>
	<b>Total equity and liabilities</b>	<b>924,780</b>	<b>889,986</b>
9	<b>Net assets per ordinary share attributable to ordinary equity holders of the Company</b>	<b>RM1.07</b>	<b>RM0.82</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

\* Cash, bank balances and short term deposits

Included in the cash, bank balances and short term deposits of the Group is RM46,020,506 (2007 : RM26,660,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Note	Unaudited Three months to 31/3/2008	Unaudited Three months to 31/3/2007 (As Restated)
		RM'000	RM'000
<b>Operating Activities</b>			
Cash receipts from customers		184,650	182,851
Cash payments to suppliers		(123,789)	(103,607)
Cash payments to employees and for expenses		(52,467)	(49,749)
Cash generated from operations		8,394	29,495
Interest paid		(12)	(291)
Income taxes paid		(6,571)	(12,322)
Net cash generated from discontinued operations	11	-	2,930
<b>Net cash generated from operating activities</b>		<b>1,811</b>	<b>19,812</b>
<b>Investing Activities</b>			
Interest received		1,856	1,432
Purchase of property, plant and equipment		(4,567)	(9,804)
Payment of intangible assets		-	(23)
Proceeds from disposal of a subsidiary net of cash and cash equivalent disposed		212,909	-
<b>Net cash used in investing activities</b>		<b>210,198</b>	<b>(8,395)</b>
<b>Financing Activities</b>			
Repayment of shareholders loan to minority shareholder of a subsidiary		(161)	-
Repayment of secured bank loans		-	(3,387)
<b>Net cash used in financing activities</b>		<b>(161)</b>	<b>(3,387)</b>
<b>Net change in Cash and Cash Equivalents</b>		<b>211,848</b>	<b>8,030</b>
Cash and Cash Equivalents as at beginning of financial period		227,046	174,587
<b>Cash and Cash Equivalents as at end of financial period</b>	<b>(a)</b>	<b>438,894</b>	<b>182,617</b>
		Unaudited As at 31/3/2008	Unaudited As at 31/3/2007
		RM'000	RM'000
<b>(a) Cash and Cash Equivalents comprise the following amounts:</b>			
Short term deposits		376,975	123,823
Cash and bank balances		61,919	50,874
Cash, bank balances and deposits included in assets of disposal group classified as held for sale		-	7,920
		<b>438,894</b>	<b>182,617</b>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

	← Attributable to equity holders of the Company →							Total Equity
	Share Capital	Redeemable Convertible Preference Shares	← Non-distributable →			Total	Minority Interests	
			Share Premium	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Three months to 31 March 2008 (unaudited)</b>								
Balance as at 1 January 2008	363,001	115,000	115,985	13,542	(311,243)	<b>296,285</b>	106,389	<b>402,674</b>
Currency translation differences, representing expense recognized directly in equity	-	-	-	5,443	-	<b>5,443</b>	(5,706)	<b>(263)</b>
Disposal of subsidiary	-	-	-	(21,668)	-	<b>(21,668)</b>	-	<b>(21,668)</b>
Profit for the period	-	-	-	-	108,745	<b>108,745</b>	6,049	<b>114,794</b>
Total recognized income and expense for the period	-	-	-	(16,225)	108,745	<b>92,520</b>	343	<b>92,863</b>
Balance as at 31 March 2008	363,001	115,000	115,985	(2,683)	(202,498)	<b>388,805</b>	106,732	<b>495,537</b>

	← Attributable to equity holders of the Company →							Total Equity
	Share Capital	Redeemable Convertible Preference Shares	← Non-distributable →			Total	Minority Interests	
			Share Premium	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Three months to 31 March 2007 (unaudited)</b>								
Balance as at 1 January 2007	298,001	180,000	115,985	26,077	(358,270)	<b>261,793</b>	82,105	<b>343,898</b>
Currency translation differences, representing expense recognized directly in equity	-	-	-	(2,272)	-	<b>(2,272)</b>	-	<b>(2,272)</b>
Profit for the period	-	-	-	-	10,991	<b>10,991</b>	5,710	<b>16,701</b>
Total recognized income and expense for the period	-	-	-	(2,272)	10,991	<b>8,719</b>	<b>5,710</b>	<b>14,429</b>
Balance as at 31 March 2007	298,001	180,000	115,985	23,805	(347,279)	<b>270,512</b>	87,815	<b>358,327</b>

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 2007.

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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 2007.

**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").

**2. Audit report in respect of the 2007 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2007 was not qualified.

**3. Seasonal or cyclical factors**

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

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

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

**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 period.

**6. Debt and equity securities**

Faber Group Berhad ("FGB") did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 31 March 2008.

**7. Dividend**

A final dividend of RM0.03 per ordinary share of RM1.00 each less 26% tax amounting to RM8.1 million will be paid in respect of the previous financial year, based on the issued and paid up capital of the company as at book closure on 28 May 2008.

The Directors do not recommend the payment of any dividend for the current period ended 31 March 2008 (2007 : nil).

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

Segment information for the current financial period to 31 March 2008 is as follows:

By business segment	← Continuing Operations →					Discontinued Operation		
	Facilities Management					Total RM'000	Hotels RM'000	Group RM'000
	Properties RM'000	Non-Healthcare RM'000	Healthcare RM'000	Others RM'000	Elimination RM'000			
<b>Continuing operations</b>								
<b>Revenue</b>								
External sales	44,854	3,312	118,855	1,543	-	<b>168,564</b>	-	<b>168,564</b>
Inter-segment sales	-	-	-	1,622	(1,622)	-	-	-
<b>Total Revenue</b>	<b>44,854</b>	<b>3,312</b>	<b>118,855</b>	<b>3,165</b>	<b>(1,622)</b>	<b>168,564</b>	-	<b>168,564</b>
<b>Results</b>								
Segment results	15,080	(64,443)	17,474	660	60,039	<b>28,810</b>	-	<b>28,810</b>
Finance costs	-	(31)	(458)	(1,504)	-	<b>(1,993)</b>	-	<b>(1,993)</b>
Profit/(loss) before income tax	15,080	(64,474)	17,016	(844)	60,039	<b>26,817</b>	-	<b>26,817</b>
Income tax	(2,198)	(33)	(6,244)	-	-	<b>(8,475)</b>	-	<b>(8,475)</b>
Profit/(loss) from continuing operations	<b>12,882</b>	<b>(64,507)</b>	<b>10,772</b>	<b>(844)</b>	<b>60,039</b>	<b>18,342</b>		<b>18,342</b>
<b>Discontinued Operations</b>								
Gain from disposal of a subsidiary	-	-	-	-	-	-	96,452	<b>96,452</b>
Profit/(loss) for the period	<b>12,882</b>	<b>(64,507)</b>	<b>10,772</b>	<b>(844)</b>	<b>60,039</b>	<b>18,342</b>	96,452	<b>114,794</b>
<b>Attributable to:</b>								
Equity holders of the Company	11,127	(64,507)	9,910	(4,276)	60,039	<b>12,293</b>	96,452	<b>108,745</b>
Minority interests	1,755	-	862	3,432	-	<b>6,049</b>	-	<b>6,049</b>
	<b>12,882</b>	<b>(64,507)</b>	<b>10,772</b>	<b>(844)</b>	<b>60,039</b>	<b>18,342</b>	96,452	<b>114,794</b>

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 31 March 2008 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2008 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 period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except for the following:

- a) On 10 December 2007, Faber Hotels Holdings Sdn Bhd ("FHHSB"), a wholly owned subsidiary company of FGB, entered into a Share Sale Agreement with Berjaya Land Berhad ("BLAND") for the disposal of FHHSB's entire shareholding in Faber Labuan Sdn Bhd ("FLSB") ("Disposal") comprising 2 ordinary shares of RM1.00 each at a total consideration of USD68.22 million. FLSB is an investment holding company which contributed 70% of the legal capital of Vimas Joint Venture Company Limited which is a joint venture company established in Vietnam between FLSB and Hotay Company Limited.

On 18 February 2008, CIMB Investment Bank Berhad had on behalf of FGB, released an announcement to Bursa Securities Malaysia Berhad on the completion of the abovementioned disposal on even date. The Group recognizes a gain of disposal of subsidiary of RM96.5 million in the current period.



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- b) On 7 March 2008 Faber Facilities Sdn Bhd ("FFSB") and Apollo Sindoori Hotels Limited ("ASHL") had completed the subscription of 10,408 shares of Rs.10/- each at a total value of Rs. 1.88 Crores (equivalent to RM1,495,570.00), in Faber Sindoori Management Services Private Limited ('Faber Sindoori'). The remaining 10,000 shares of Rs.10/- each are held by the nominees of ASHL namely:

- Ms. Suneeta Reddy, 5,000 shares of Rs.10/- each, and
- Ms. Sindoori Reddy, 5,000 shares of Rs.10/- each

Following the above shares subscription, FFSB and ASHL respectively hold 51% and 49% of the issued and paid-up share capital of Faber Sindoori. Faber Sindoori is the joint venture vehicle, to implement and undertake the Project in accordance with the terms and conditions contained in the JVA.

**11. Discontinued operations**

In relation to the Disposal as mentioned in note 10(a) above, the result and cash flows of the discontinued operations are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2008</b>	<b>31/3/2007</b>	<b>31/3/2008</b>	<b>31/3/2007</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	-	12,920	-	12,920
Net Loss	-	(280)	-	(280)
Gain on disposal of a subsidiary	96,452	-	96,452	-
Profit/(loss) for the period from discontinued operations	96,452	(280)	96,452	(280)
Cash flow generated from operating activities	-	2,930	-	2,930
Proceeds from disposal of a subsidiary net of cash and cash equivalent disposed	212,909	-	212,909	-
Cash flow used in financing activities	-	-	-	-
Total cash flows	212,909	2,930	212,909	2,930

**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 2007 except as disclosed below:

Description of contingent liabilities	RM'000
Increase in claim for alleged non-payment of debts (as explained in Note 20 iii and iv)	10,749

**13. Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	14,065

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14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2008</b>	<b>31/3/2007</b>	<b>31/3/2008</b>	<b>31/3/2007</b>
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	6,638	6,524	6,638	6,524
Deferred tax				
- underprovision in prior years	1,837	-	1,837	-
	<u>8,475</u>	<u>6,524</u>	<u>8,475</u>	<u>6,524</u>

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

There were no disposals 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 other than securities in existing subsidiaries and associates are as follows:

	As at <b>31/3/2008</b> RM'000
Total investments at cost	<u>816</u>
Total investments at book value net of accumulated impairment loss	<u>388</u>
Total investments at market value	<u>388</u>

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.

The MVL of IQSB has yet to be completed.

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- (b) 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.

- (c) 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 (“Faber Sindoori”).

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.

On 6 January 2008, FFSB entered into a Supplemental Agreement with ASHL to vary inter-alia, the provisions on the subscription of shares by FFSB in Faber Sindoori to reflect the variations of the value of the housekeeping business initially transferred to Faber Sindoori as at 31 January 2008 and the eventual transfer value of the remaining housekeeping business. FGB had on 15 February 2008 released an announcement that FFSB, ASHL and Faber Sindoori had on even date met all the Conditions Precedent in accordance to the provisions of the JVA-ASHL.

On 10 March 2008, FGB released an announcement that in accordance with the provisions of the JVA, FFSB and ASHL had on 7 March 2008 completed, the subscription of 10,408 shares of Rs.10/- each at a total value of Rs. 1.88 Crores (equivalent to RM1,495,570.00), in Faber Sindoori Management Services Private Limited (‘Faber Sindoori’). The remaining 10,000 shares of Rs.10/- each are held by the nominees of ASHL namely:

- Ms. Suneeta Reddy, 5,000 shares of Rs.10/- each, and
- Ms. Sindoori Reddy, 5,000 shares of Rs.10/- each

Following the above shares subscription, FFSB and ASHL respectively hold 51% and 49% of the issued and paid-up share capital of Faber Sindoori. Faber Sindoori is the joint venture vehicle, to implement and undertake the Project in accordance with the terms and conditions contained in the JVA-ASHL.

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- (d) On 28 April 2008, FGB via its adviser, CIMB Investment Bank Berhad (“CIMB”) released an announcement that FGB has obtained a confirmation letter dated 28 April 2008 from Jeram Bintang Sdn Bhd (“JBSB”) (“Confirmation Letter”) whereby JBSB has agreed and has committed to vote affirmatively for the proposed capital repayment to JBSB, the holder of the RCPS in FGB via a cash distribution on the basis of RM1.00 for every one (1) existing RCPS held by way of a reduction of the entire RCPS capital of FGB in accordance with the provisions of Section 64 of the Companies Act, 1965 (“the Act”) (“Proposed Capital Repayment”).

As part of a debt restructuring scheme implemented by FGB and its subsidiaries in 2004, a total of 200.0 million RCPS were issued to JBSB, of which 85.0 million RCPS have been converted into new FGB shares by JBSB. As at 31 March 2008, FGB has 115.0 million outstanding RCPS which are held by JBSB.

Under the Confirmation Letter, JBSB has agreed to the Proposed Capital Repayment subject to the condition that the RCPS shall be redeemed within six (6) months from the Order of the High Court of Malaya confirming the capital reduction under Section 64 of the Act.

The Proposed Capital Repayment will be funded by the proceeds received from the disposal by the FGB Group of its 100% equity interest in FLSB which was completed in February 2008.

The Proposed Capital Repayment is subject to the following:

- (i) the approval of the shareholders of FGB at an extraordinary general meeting to be convened;
- (ii) the approval of the RCPS holder at a meeting to be convened;
- (iii) the Order of the High Court of Malaya confirming the capital reduction under Section 64 of the Act; and
- (iv) the approval/consent of any other relevant authorities and/or parties, if required.

Subject to all the required approvals being obtained, FGB expects to complete the Proposed Capital Repayment by the second half of 2008.

- (e) On 28 April 2008, FGB via its adviser, CIMB released an announcement that FGB had on 28 April 2008 entered into a conditional share sale agreement (“SSA”) with MOG in relation to the proposed acquisition by FGB of 12,000,003 class A ordinary shares of RM1.00 each in FMS (“Class A FMS Shares”) and 4,218,000 class B ordinary shares of RM1.00 each in FMS (“Class B FMS Shares”) collectively representing about 30.03% of the issued and paid-up share capital of FMS as at 31 March 2008 (“Acquisition Shares”) from MOG for a total cash consideration of RM85.5 million (“Proposed Acquisition”).

As at 31 March 2008, FMS is a 69.97%-owned subsidiary of FGB (directly and indirectly through its wholly-owned subsidiary, Faber Healthcare Management Sdn Bhd (“FHMSB”). Upon completion of the Proposed Acquisition, FMS will become a wholly-owned subsidiary of FGB (directly and indirectly through FHMSB).

The purchase consideration of RM85.5 million (“Purchase Consideration”) was arrived at on a willing-buyer willing-seller basis after taking into consideration amongst others the audited consolidated net assets (“NA”) of FMS as at 31 December 2007 of RM176.22 million, the earnings potential of FMS and its subsidiaries (“FMS Group”) up to the financial year ending 2011 and the valuation of the FMS Group by the management of FGB.

Further, the sale and purchase of the Acquisition Shares at the Purchase Consideration was agreed between the Parties (being FGB and MOG) on the basis that the Class B FMS Shares are only partly paid up at RM0.05 per Class B FMS Share and that no further calls will be made by FMS in respect of the Class B FMS Shares or further call(s) or any unpaid balance of RM0.95 per Class B FMS Share is required to be paid by MOG subsequent to the date of the SSA.

FGB will acquire the Acquisition Shares free from all encumbrances including charges, pledges, liens (other than any lien which FMS may have over the Acquisition Shares), assignments or other security interests and with all rights, benefits, entitlements and liabilities attached to them as at the Completion Date (being a date no later than the 10th business day following the date on which all conditions precedent to the SSA are fulfilled or waived or such other date as may be mutually agreed), except for any dividends and distributions declared or paid prior to the Completion Date.

FGB intends to fund the Proposed Acquisition through internally generated funds and proceeds received from the disposal by the FGB Group of its 100% equity interest in FLSB which was completed in February 2008.

The SSA is conditional upon the following conditions precedent being fulfilled on or before the cut-off date, being a period of three (3) months from the date of the SSA (unless otherwise extended by mutual agreement);

- (i) the grant of approval of the Foreign Investment Committee for the purchase of the Acquisition Shares by FGB;
- (ii) the approval of MOG’s shareholders for the sale of the Acquisition Shares;
- (iii) the approval of FGB’s shareholders for the purchase of the Acquisition Shares; and
- (iv) the relevant consent, approval or waiver of any third parties and/or relevant authority for the purchase by FGB of the Acquisition Shares, if necessary

Subject to all the required approvals being obtained, FGB expects to complete the Proposed Acquisition by the third quarter of 2008.

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18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2008 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
<b><u>Debt securities</u></b>						
PS	-	7,496	7,496	-	1,120	1,120
RSLs	155,549	-	155,549	-	-	-
<b><u>Other borrowings</u></b>						
Domestic – Bank	349	-	349	286	-	286
Amount owing to corporate shareholder	-	-	-	-	1,182	1,182
Balance Sum owing to JBSB	36,010	-	36,010	-	-	-
<b>TOTAL</b>	<b>191,908</b>	<b>7,496</b>	<b>199,404</b>	<b>286</b>	<b>2,302</b>	<b>2,588</b>

\* 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:

(i) **Persatuan Kebangsaan Pekerja-Pekerja Hotel, Bar & Restoran Semenanjung Malaysia (“Union”) vs. Hotel Merlin Kuala Lumpur (M) Sdn Bhd (“HMKL”), FGB, Kuala Reman Estates Berhad (“KREB”) (KLHC R1-25-37-96)**

The Union appealed to the Court of Appeal against the High Court’s refusal to grant leave to commence certiorari proceedings against the decision of the Industrial Court in Award No. 88 of 1996, dismissing the claims of the Union.

The appeal was allowed by the Court of Appeal on 28 September 2000 and leave was granted. The matter was remitted back to High Court to hear the Union’s application for an order of certiorari against the Industrial Court’s decision. The High Court however, dismissed the Union’s application with cost on 9 February 2004, against which decision, the Union has appealed to the Court of Appeal under Civil Appeal No. W-04-22-04 on 3rd March 2004. The matter came up for hearing on 12 February 2008, which was in respect of the Union’s application to file a Supplementary Record of Appeal. The Court of Appeal allowed the Union to file their Supplementary Record of Appeal on the abovesaid date. The Hearing of the substantive motion has yet to be fixed by the Court of Appeal.

The Union has also filed an application under Section 33A of the Industrial Relation Act, 1967 under the Industrial Case No. 1/1 – 198/96 by referring certain question of law to the High Court in respect of the Award No. 88 of 1996. This Application was unanimously dismissed by the Industrial Court on 10 August 2007 (Award No. 1684 of 2007) by reason that the Union had failed to meet the conditions set out in Section 33A (1)(c) and (d) of the Industrial Act 1967.

FGB’s solicitors are of the opinion that the potential liability arising from this matter is RM2,132,071.23.

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(ii) **UEM Genisys Sdn Bhd (in liquidation) (“UEM Genisys”) vs. Road Builder (M) Sdn Bhd (“Road Builder”) and FHHSB as Third Party (Civil Suit No. D7-22-1057-2007)**

A writ of summons was filed by UEM Genisys against Road Builder. In the statement of claim dated 3 August 2007, UEM Genisys is claiming from Road Builder a sum of RM2,142,229.24 together with the usual interests (“Sum”). Road Builder in turn filed a Third Party Notice against FHHSB (“the Third Party”) to claim for indemnity for the Sum.

Road Builder was appointed as a main contractor by Subang Jaya Hotel Development Sdn Bhd (“SJHD”) for a project known as ‘Cadangan 17 Tingkat Bangunan Hotel di Atas Lot 4244 dan 4245 Jalan SS12/1, Subang Jaya, Selangor Darul Ehsan’ (“the Project”). UEM Genisys was appointed as Road Builder’s nominated subcontractor for the Project’s air conditioning and mechanical ventilation system (“Sub-Contract Works”).

On 14 October 1997, the Third Party, the holding company of SJHD issued a letter to eight (8) subcontractors including UEM Genisys stating that “all payments to nominated subcontractors in future from this date will be directly from the Third Party.”

The Project’s consultant, Juaraconsult Sdn Bhd issued a Statement of Final Accounts on 20 May 2005 confirming that final sub-contract sum to be RM5,768,715.37 (“Final Sub-Contract Sum”) i.e. the amount payable to UEM Genisys by Road Builder for the Sub-Contract Works. UEM Genisys filed a writ of summons against Road Builder, claiming an outstanding sum of RM2,142,229.24 (“the Disputed Sum”) as UEM Genisys has received a sum of RM3,626,486.13 from the Final Sub-Contract Sum.

Road Builder in turn alleges that the Disputed Sum is the Third Party’s debt to UEM Genisys and Road Builder has issued a Third Party Notice dated 1 October 2007 to claim an indemnity from the Third Party for the Disputed Sum. The grounds on which Road Builder is seeking an indemnity from the Third Party as pleaded in its statement of claim is that Road Builder is no longer liable as the main contractor of the Project from 14 October 2007 onwards and the Third Party had, by novation agreed to take over the rights and liabilities of Road Builder as the main contractor of the Project and that the Third Party had undertaken to indemnify Road Builders for losses that may arise from such arrangement.

The Third Party states in its Defence that it denies that there ever was a novation and that there is only a direct undertaking given by the Third Party to UEM Genisys to pay Road Builder’s debt. The Third Party states that as UEM Genisys chose to claim against Road Builder rather than the Third Party, they have waived their right to claim against the Third Party.

Pursuant to the order of the Court dated 20 November 2007 under a Summons For Directions, Road Builder served their Statement of Claim dated 3 December 2007 to the Third Party (this was subsequently amended) and the Third Party in turn served its Defence dated 14 January 2008 on Road Builder. Parties are now preparing a list of documents to be exchanged and have agreed to do so by 31 May 2008.

(iii) **BNoble Sdn Bhd (“BNoble”) vs. Cermin Cahaya Sdn Bhd (“CCSB”) and FMS (Civil Suit No. S6-22-215-2008)**

This suit was filed by BNoble against both FMS and CCSB wherein a sealed copy of the Writ Summons and Statement of Claim dated 21 February 2008 was served on 17 March 2008.

BNoble’s claim is premised on a breach of the Services Agreement dated 8 May 2003 entered into between BNoble and FMS and CCSB, wherein it is claiming for its entitlement to an incentive sum amounting to RM7,320,000.

Messrs. Shook Lin & Bok have since entered appearance on 24 March 2008 on behalf of both FMS and CCSB and have subsequently been instructed to file a Stay of Proceedings in view of the arbitration clause stipulated in the said Services Agreement on 7 April 2008.

(iv) **Kuala Lumpur High Court Suit No: D1-22-447-2008 (Previndran Sathurgasinghe trading under Zerín Properties vs Faber Group Berhad)**

A Writ of Summons together with a Statement of Claim dated 7 April 2008 was served on FGB’s lawyers Messrs Cheang & Ariff on 24 April 2008 wherein the Plaintiff is claiming for a sum of RM3,359,538.00 through the Plaintiff Solicitors Messrs Norendra & Yap.

The Plaintiff is claiming the sum of RM3,359,538.00 (with interest and costs) being professional fees for work allegedly done by the Plaintiff in procuring a purchaser for Sheraton Hanoi Hotel & Towers (“Sheraton Hanoi”). Sheraton Hanoi wherein owned by Faber Hotels Holdings Sdn Bhd (“FHHSB”), a wholly owned subsidiary of FGB through FHHSB’s wholly owned subsidiary, Faber Labuan Sdn Bhd (“FLSB”).

FGB’s Solicitors, Messrs Cheang & Ariff, has entered appearance and served the same on the Plaintiff’s Solicitors on 29 April 2008 and has accordingly also filed and served the Defence and Counterclaim on breach of Confidentiality Agreement and is seeking amongst others, exemplary damages for breach of fiduciary duties and actionable abuse of process by the Plaintiff.

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

The Group's revenue for the current quarter was lower by RM1.8 million or 1.1% to RM168.6 million from RM170.4 million in the preceding quarter. The Facilities Management Healthcare Division recorded a lower revenue of RM118.9 million (preceding quarter: RM123.5 million) due to lower reimbursable works. The Property Division recorded a lower revenue of RM44.9 million (preceding quarter: RM46.7 million) mainly due to lower progress billings for the projects in Laman Rimbunan, Kepong. Facility Management Non-Healthcare Division, however recorded a higher revenue of RM3.3 million (preceding quarter negative RM0.6 million) due to recognition of revenue from new business in India.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM26.8 million, as compared to RM19.2 million in the preceding quarter. Property Division recorded higher PBT of RM15.1 million (preceding quarter: RM11.3 million) whilst Facilities Management Healthcare Division recorded a higher PBT of RM17.0 million (preceding quarter : RM14.0 million). Facilities Management Non-Healthcare recorded a loss of RM64.5 million (preceding quarter negative RM0.5 million) of which RM64.3 million is in relation to waiver of debts arising from the disposal of 100% equity interest in FLSB.

22. **Review of performance for the current quarter**

The Group's revenue for the current quarter of RM168.6 million was 7.7% or RM12.0 million higher than the corresponding quarter last year of RM156.6 million. The Facilities Management Healthcare Division recorded positive variance of RM10.6 million mainly due to higher variation order for new installed facilities, higher delivery of linen and collection of clinical waste and higher revenue from non concession business. The Facility Management Non-Healthcare Division recorded a higher revenue by RM1.5 million due to recognition of revenue from business in India.

The Group's current quarter PBT was higher by RM3.3 million to RM26.8 million as compared to RM23.5 million in the corresponding quarter last year as a result of higher revenue as explained above.

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2008</b>	<b>31/3/2007</b>	<b>31/3/2008</b>	<b>31/3/2007</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>Net operating profit after tax</u></b>				
<b><u>("NOPAT") computation:</u></b>				
Earnings before interest and tax ("EBIT")	26,521	25,106	26,521	25,106
Adjusted tax	(6,895)	(6,779)	(6,895)	(6,779)
<b>NOPAT</b>	<b><u>19,626</u></b>	<b><u>18,327</u></b>	<b><u>19,626</u></b>	<b><u>18,327</u></b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	356,928	476,714	356,928	476,714
Weighted average cost of capital ("WACC")	11.7%	12.0%	11.7%	12.0%
<b>Economic charge</b>	<b><u>10,413</u></b>	<b><u>14,263</u></b>	<b><u>10,413</u></b>	<b><u>14,263</u></b>
<b>EP</b>	<b><u>9,213</u></b>	<b><u>4,064</u></b>	<b><u>9,213</u></b>	<b><u>4,064</u></b>

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 31 March 2008 against the corresponding quarter last year :

EP of RM9.2 million is higher by RM5.1 million as compared to the preceding year corresponding quarter of RM4.1 million mainly due to a higher EBIT and lower economic charge recorded.

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

The Group expects to sustain its operational performance with contribution from all business divisions. The overseas business expansion continues to be part of the Group's growth strategy.

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

	<b>March 2008</b>	<b>December 2008</b>
	<b>(3 months)</b>	<b>(12 months)</b>
	<b>Actual</b>	<b>Target</b>
<b>Headline KPI</b>		
Revenue Growth	0.7 % (annualized)	10.0%
Return on Equity*	4.2%	14.0%

\* The Return on Equity excludes gain on disposal of FLSB of RM96.5 million recognized in the current quarter.

The revenue growth for the current quarter was lower due to timing difference on the progress billings of property projects as most of it will be recognized in the remaining next three quarters. Barring unforeseen circumstances, the Group is on track to meet its 2008 headline KPIs.

25. **Profit forecast**

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



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2008</b>	<b>31/3/2007</b>	<b>31/3/2008</b>	<b>31/3/2007</b>
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Profit from continuing operations attributable to equity holders of the Company	12,293	11,271	12,293	11,271
Profit/(loss) from discontinued operations attributable to equity holders of the Company	96,452	(280)	96,452	(280)
Profit attributable to equity holders of the Company	<u>108,745</u>	<u>10,991</u>	<u>108,745</u>	<u>10,991</u>
Weighted average number of ordinary shares in issue ('000)	<u>363,001</u>	<u>298,001</u>	<u>363,001</u>	<u>298,001</u>
Basic earnings per share for:				
Profit from continuing operations	3.39 sen	3.78 sen	3.39 sen	3.78 sen
Profit/(loss) from discontinued operations	<u>26.57 sen</u>	<u>(0.09) sen</u>	<u>26.57 sen</u>	<u>(0.09) sen</u>
Profit for the period	<u>29.96 sen</u>	<u>3.69 sen</u>	<u>29.96 sen</u>	<u>3.69 sen</u>
(b) Diluted earning per share				
Profit from continuing operations attributable to equity holders of the Company	12,293	11,271	12,293	11,271
Profit/(loss) from discontinued operations attributable to equity holders of the Company	96,452	(280)	96,452	(280)
Diluted profit attributable to equity holders of the Company	<u>108,745</u>	<u>10,991</u>	<u>108,745</u>	<u>10,991</u>
Weighted average number of ordinary shares in issue ('000)	<u>478,001</u>	<u>478,001</u>	<u>478,001</u>	<u>478,001</u>
Diluted earnings per share for:				
Profit from continuing operations	2.57 sen	2.36 sen	2.57 sen	2.36 sen
Profit/(loss) from discontinued operations	<u>20.18 sen</u>	<u>(0.06) sen</u>	<u>20.18 sen</u>	<u>(0.06) sen</u>
Profit for the period	<u>22.75 sen</u>	<u>2.30 sen</u>	<u>22.75 sen</u>	<u>2.30 sen</u>

Kuala Lumpur  
28 May 2008

**By Order of the Board**  
**SURIATI ASHARI (LS0009029)**  
**Secretary**