FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

		Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
		Note	**31/12/2008**	**31/12/2007** (As Restated)	**31/12/2008**	**31/12/2007**
			RM'000	RM'000	RM'000	RM'000
Continuing Operations						
(a)	**Revenue**		**150,294**	**170,435**	**668,474**	669,675
(b)	Cost of sales		(110,420)	(128,821)	(470,353)	(471,742)
(c)	Gross profit		39,874	41,614	198,121	197,933
(d)	Other income		3,446	2,909	12,983	6,821
(e)	Expenses		(6,823)	(16,569)	(69,636)	(77,250)
(f)	Finance costs		(2,187)	(2,035)	(8,118)	(7,836)
(g)	Depreciation and amortization		(5,898)	(6,684)	(23,210)	(20,223)
(h)	**Profit before income tax**		**28,412**	**19,235**	**110,140**	**99,445**
(i)	Income tax		(6,300)	(4,291)	(29,834)	(25,393)
(j)	**Profit for the year from continuing operations**		**22,112**	**14,944**	**80,306**	**74,052**
Discontinued Operations						
(k)	Profit for the year from discontinued operations	11	-	3,758	94,606	3,241
(l)	Profit for the year		22,112	18,702	174,912	77,293
	Attributable to:					
(m)	Equity holders of the Company		17,863	11,543	155,696	51,962
(n)	Minority interests		4,249	7,159	19,216	25,331
			22,112	**18,702**	**174,912**	**77,293**

I. CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
		(As Restated)		
2. **Earnings per share based on 1(m) above:-**				
(a) Basic (based on 2008 weighted average : 363,001,053 [2007 weighted average of : 338,343,519/325,138,039] ordinary shares)				
Earnings per share attributable to equity holders of the Company				
Profit from continuing operations	4.92 sen	2.30 sen	16.83 sen	14.98 sen
Profit from discontinued operations	-	1.11 sen	26.06 sen	1.00 sen
Profit for the year	4.92 sen	3.41 sen	42.89 sen	15.98 sen
(b) Fully diluted (based on 2008 weighted average: 363,001,053 [2007 : 478,001,053/460,345,375] enlarged number of ordinary shares)				
Earnings per share attributable to equity holders of the Company				
Profit from continuing operations	4.92 sen	1.72 sen	16.83 sen	11.07 sen
Profit/ from discontinued operations	-	0.83 sen	26.06 sen	0.74 sen
Profit for the year	4.92 sen	2.55 sen	42.89 sen	11.81 sen

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

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II. CONDENSED CONSOLIDATED BALANCE SHEET

		Note	Unaudited	Audited
			As at end of current quarter	**As at preceding financial year end**
		Note	**31/12/2008**	**31/12/2007**
			RM'000	RM'000
	ASSETS			
1	Non-current assets			
	Property, plant and equipment		92,906	91,261
	Land held for property development		33,744	49,946
	Prepaid land lease payments		3,852	2,980
	Goodwill		26,982	-
	Intangible assets		5,644	5,551
	Other investments		771	1,171
	Receivables		1,883	2,982
	Deferred tax assets		1,919	4,834
			167,701	158,725
2	Current assets			
	Property development costs		51,259	65,902
	Inventories		15,813	23,270
	Receivables		207,429	212,112
	Short term investments		392	368
	Short term deposits*		175,514	170,851
	Cash and bank balances*		136,514	47,334
			586,921	519,837
3	Assets of disposal group classified as held for sale	11	-	211,424
	Total assets		**754,622**	**889,986**

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II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

		Note	Unaudited As at end of current quarter 31/12/2008 RM'000	Audited As at preceding financial year end 31/12/2007 RM'000
	EQUITY AND LIABILITIES			
4	Equity attributable to equity holders of the Company			
	Share capital		363,001	363,001
	Redeemable Convertible Preference Shares ("RCPS")		-	115,000
	Share premium		115,985	115,985
	Other reserves		(4,943)	13,542
	Accumulated losses		(160,557)	(311,243)
			313,486	296,285
5	Minority interests		55,908	106,389
	Total equity		369,394	402,674
6	Non-current liabilities			
	Retirement benefit obligations		3,414	2,166
	Provisions		651	642
	Redeemable Secured Loan Stocks ("RSLS")		160,207	154,045
	Preference shares ("PS")		7,496	7,496
	Borrowings		19,752	36,359
	Deferred tax liabilities		1,993	7,685
			193,513	208,393
7	Current liabilities			
	Retirement benefit obligations		753	388
	Provisions		149	1,905
	Preference shares		1,120	1,120
	Borrowings		1,639	818
	Payables		179,855	204,923
	Tax payable		8,199	2,656
			191,715	211,810
8	Liabilities of disposal group classified as held for sale	11	-	67,109
	Total liabilities		385,228	487,312
	Total equity and liabilities		**754,622**	**889,986**
9	**Net assets per ordinary share attributable to ordinary equity holders of the Company**		**RM0.86**	**RM0.82**

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited 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 RM98,061,104 (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 Twelve months to 31/12/2008	Audited Twelve months to 31/12/2007
Operating Activities		RM'000	RM'000
Cash receipts from customers		701,199	676,584
Cash payments to suppliers		(310,763)	(281,221)
Cash payments to employees and for expenses		(237,108)	(246,598)
Cash generated from operations		153,328	148,765
Interest paid		(82)	(817)
Income taxes paid		(30,259)	(40,524)
Net cash generated from discontinued operations	11	-	21,827
Net cash generated from operating activities		122,987	129,251
Investing Activities			
Proceeds from disposal of property, plant and equipment		1,139	287
Investment in subsidiary		(85,500)	-
Other investment		(800)	(400)
Interest received		11,992	4,860
Dividend received		-	8
Purchase of property, plant and equipment		(25,719)	(27,125)
Purchase of leasehold land		(950)	-
Purchase of land held for property development		(1,850)	(8,303)
Payment of intangible assets		(75)	(62)
Net cash used in discontinued operations		-	(924)
Proceeds from disposal of a subsidiary net of cash and cash equivalent disposed	11	211,063	-
Net cash used in investing activities		109,300	(31,659)
Financing Activities			
Proceeds from issuance of ordinary shares		779	490
Repayment of hire purchase obligations		(308)	(457)
Preference dividend paid to minority shareholders of a subsidiary		(2,167)	(1,700)
Repayment of Balance Sum owing to Jeram Bintang Sdn Bhd ("JBSB")		(18,224)	(2,883)
Repayment of shareholders loan to minority shareholder of subsidiaries		(532)	(531)
Drawdown of other secured bank loans		1,417	-
Dividend paid to shareholders		(8,059)	(4,935)
Dividend paid to minority shareholders of subsidiaries		(5,202)	(6,672)
Repayment of secured bank loans		-	(19,400)
Capital repayment of RCPS to JBSB		(115,000)	-
Net cash used in discontinued operations	11	-	(8,567)
Net cash used in financing activities		(147,296)	(44,655)
Net change in Cash and Cash Equivalents		**84,991**	**52,937**
Net foreign exchange difference		(9)	(478)
Cash and Cash Equivalents as at beginning of financial year		227,046	174,587
Cash and Cash Equivalents as at end of financial year	**(a)**	**312,028**	**227,046**

(a) Cash and Cash Equivalents comprise the following amounts:	Unaudited As at 31/12/2008 RM'000	Audited As at 31/12/2007 RM'000
Short term deposits	175,514	170,851
Cash and bank balances	136,514	47,334
Cash, bank balances and deposits included in assets of disposal group classified as held for sale	-	8,861
	312,028	227,046

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

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to equity holders of the Company							
		Non-distributable						
	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
Twelve months to 31 December 2008 (unaudited)								
Balance as at 1 January 2008	363,001	115,985	115,000	13,542	(311,243)	**296,285**	106,389	**402,674**
Foreign currency translation recognized directly in equity	-	-	-	5,571	-	**5,571**	(5,720)	**(149)**
Profit for the year	-	-	-	-	155,696	**155,696**	19,216	**174,912**
Share options under Employee Equity Scheme ("EES") transferred to retained earnings	-	-	-	(2,388)	3,049	**661**	(661)	**-**
Total recognized income and expense for the year	-	-	-	3,183	158,745	**161,928**	12,835	**174,763**
Acquisition of subsidiary	-	-	-	-	-	**-**	779	**779**
Disposal of subsidiary	-	-	-	(21,668)	-	**(21,668)**	-	**(21,668)**
Accretion of interest in a subsidiary	-	-	-	-	-	**-**	(58,518)	**(58,518)**
Capital Reduction	-	-	(115,000)	-	-	**(115,000)**	-	**(115,000)**
Dividend	-	-	-	-	(8,059)	**(8,059)**	-	**(8,059)**
Dividend paid to minority shareholders of subsidiary companies	-	-	-	-	-	**-**	(5,577)	**(5,577)**
Balance as at 31 December 2008	363,001	115,985	-	(4,943)	(160,557)	**313,486**	55,908	**369,394**

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CON'D)

	← Attributable to equity holders of the Company →							
		← Non-distributable →						
	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**
Twelve months to 31 December 2007 (audited)								
Balance as at 1 January 2007	298,001	115,985	180,000	26,077	(358,270)	**261,793**	82,105	**343,898**
Currency translation differences, representing expense recognized directly in equity	-	-	-	(13,285)	-	**(13,285)**	3,871	**(9,414)**
Profit for the year	-	-	-	-	51,962	**51,962**	25,331	**77,293**
Share-based payment	-	-	-	750	-	**750**	1,264	**2,014**
Total recognized income and expense for the year	-	-	-	(12,535)	51,962	**39,427**	30,466	**69,893**
Conversion of RCPS	65,000	-	(65,000)	-	-	**-**	-	**-**
Dividend	-	-	-	-	(4,935)	**(4,935)**	-	**(4,935)**
Dividend paid to minority shareholders of subsidiary companies	-	-	-	-	-	**-**	(6,672)	**(6,672)**
Acquisition of subsidiary	-	-	-	-	-	**-**	490	**490**
Balance as at 31 December 2007	363,001	115,985	115,000	13,542	(311,243)	**296,285**	**106,389**	**402,674**

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited 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"). On 1 January 2008, the Group and the Company adopted the following revised FRS and amendment to FRS:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investments in a Foreign Operations

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 year 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 year.

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 year ended 31 December 2008 except for the redemption of the RCPS as disclosed in note 17(d).

7. Dividend

A final dividend of 3%, less 26% tax, on ordinary shares of RM1.00 each was paid on 27 June 2008 in respect of the previous financial year, amounting to RM8.1 million based on the issued and paid up share capital of the Company as at book the closure date of 28 May 2008.

The Directors recommend the payment of a final dividend of 4% less 25% taxation on 363,001,000 ordinary shares, amounting to a dividend payable of RM10,890,030 (3.00 sen net per ordinary share) [2007 : a final dividend of 3% less 26% taxation on 363,001,000 ordinary shares, amounting to a dividend payment of RM8,059,000 (2.22 sen net per ordinary share) was paid on 25 June 2008].

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

Segment information for the current financial year to 31 December 2008 is as follows:

	← Continuing Operations					→	Discontinued Operation	
		Facilities Management						
By business segment	**Properties**	**Non-Healthcare**	**Healthcare**	**Others**	**Elimination**	**Total**	**Hotels**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Continuing operations								
Revenue								
External sales	153,288	18,857	489,079	7,250	-	**668,474**	-	**668,474**
Inter-segment sales	-	-	-	65,945	(65,945)	**-**	-	**-**
Total Revenue	153,288	18,857	489,079	73,195	(65,945)	**668,474**	-	**668,474**
Results								
Segment results	34,135	579,105	69,100	124,540	(688,622)	**118,258**	-	**118,258**
Finance costs	(30)	(52)	(1,874)	(6,162)	-	**(8,118)**	-	**(8,118)**
Profit before income tax	34,105	579,053	67,226	118,378	(688,622)	**110,140**	-	**110,140**
Income tax	(11,068)	(314)	(20,029)	(9,696)	11,273	**(29,834)**	-	**(29,834)**
Profit from continuing operations	23,037	578,739	47,197	108,682	(677,349)	**80,306**	-	**80,306**
Discontinued Operations								
Gain from disposal of a subsidiary	-	-	-	-	-	**-**	94,606	**94,606**
Profit for the year	23,037	578,739	47,197	108,682	(677,349)	**80,306**	94,606	**174,912**
Attributable to:								
Equity holders of the Company	15,125	578,640	43,500	108,682	(684,857)	**61,090**	94,606	**155,696**
Minority interests	7,912	99	3,697		7,508	**19,216**	-	**19,216**
	23,037	578,739	47,197	108,682	(677,349)	**80,306**	94,606	**174,912**

9. **Material events subsequent to the end of the current financial year**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 31 December 2008 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except for the following:

a) Disposal of a subsidiary

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 RM94.6 million in the current year.

b) Acquisition of a subsidiary

On 7 March 2008, Faber Facilities Sdn Bhd ("FFSB") and Apollo Sindoori Hotels Limited ("ASHL"), India 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.

c) Accretion of interest in a subsidiary

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 Medlux Overseas (Guernsey) Limited ("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

The abovementioned conditions precedent were met on 21 June 2008. The Proposed Acquisition was subsequently completed on 26 June 2008.

11. **Discontinued operations**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter **31/12/2008** RM'000	Preceding year corresponding quarter **31/12/2007** RM'000	Twelve months to **31/12/2008** RM'000	Twelve months to **31/12/2007** RM'000
Revenue	-	19,210	-	59,247
Net Profit/(Loss)	-	3,758	-	3,241
Gain on disposal of a subsidiary		-	94,606	-
Profit/(loss) for the year from discontinued operations	-	3,758	94,606	3,241
Cash flow generated from operating activities	-	14,721	-	21,827
Proceeds from disposal of a subsidiary net of cash and cash equivalent disposed	-	-	211,063	-
Cash flow used in investing activities	-	924	-	(924)
Cash flow used in financing activities	-	-	-	(8,567)
Total cash flow	-	15,645	211,063	12,336

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	10,944

13. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	8,941

14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter **31/12/2008** RM'000	Preceding year corresponding quarter **31/12/2007** RM'000 (As Restated)	Twelve months to **31/12/2008** RM'000	Twelve months to **31/12/2007** RM'000 (As Restated)
Malaysian taxation				
- current taxation	15,802	5,484	36,241	31,295
- overprovision in prior years	(3,630)	(1,244)	(3,630)	(1,959)
Deferred tax				
- relating to origination and reversal of temporary differences	(4,219)	154	(2,618)	(265)
- relating to changes in taxes rates	(109)	(103)	(109)	(102)
- overprovision in prior years	(1,544)	-	(50)	(3,576)
	6,300	4,291	29,834	25,393

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

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

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

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

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

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

	As at **31/12/2008** RM'000
Total investments at cost	816
Total investments at book value net of accumulated impairment loss	392
Total investments at market value	392

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 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) 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.

(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.

On 13 June 2008, FGB had obtained the approval from its shareholders and RCPS holders for the Proposed Capital Repayment. The High Court of Malaya had on 13 October 2008 granted an Order confirming the reduction of the entire RCPS capital of FGB. Subsequently, FGB had on 3 November 2008, lodged the office copy of the Order of the High Court of Malaya dated 13 October 2008 with the Companies Commission of Malaysia. Accordingly, the Capital Repayment was effective on 3 November 2008.

(e) On 19 September 2008, the following 6 dormant wholly-owned subsidiaries, the equities of which are held directly and indirectly by FGB, had commenced MVL pursuant to Section 254(1)(b) of the Companies Act, 1965:-

(i) Faber Haulage Sdn Bhd;

(ii) Firstgain Holdings Sdn Bhd;

(iii) Hasil Lintang Sdn Bhd;

(iv) Faber Facilities Solutions Sdn Bhd;

(v) Merlin Tower Hotel Sdn Bhd;

(vi) Mont Hill Sdn Bhd.

Pursuant thereto, Mr Heng Ji Keng and Mr Micheal Joseph Monteiro of Messrs Ferrier Hodgson MH Sdn Bhd of 22-M, Monteiro & Heng Chambers, Jalan Tun Sambanthan 3, 50470 Kuala Lumpur have been appointed as Liquidators.

The MVL of the 6 dormant subsidiaries is to rationalise and streamline FGB Group structure.

The MVL of the dormant subsidiaries have yet to be completed.

(f) FMS, a wholly owned subsidiary company of FGB had on 19 September 2008 entered into a joint venture agreement with SMS Kg. Likas (Sabah) Sdn Bhd ("SMS Likas") for the provision of linen processing services and linen transportation services ("the JVA-Likas") .

Under the Joint Venture, FMS holds 60% of the equity and SMS Likas holds 40% of the equity of the joint venture company ("JVC"). Pursuant to the JVA-Likas, FMS shall within 30 days following the date of the execution of the JVA-Likas, procure the incorporation of the joint venture company.

FMS had on 10 October 2008 acquired the entire issued and paid-up share capital of Haruman Teknologi Sdn Bhd ('HTSB'), a shelf company, consisting of 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. HTSB will be the joint venture vehicle of FMS and SMS Likas.

Pursuant to the JVA-Likas, the authorised share capital of HTSB shall be increased to RM5 million and FMS and SMS Likas shall respectively subscribe proportionately to the shares in HTSB so that the issued and paid-up share capital of HTSB will be increased to RM5 million eventually.

HTSB had on 30 October 2008, changed its existing name to Fresh Linen Services (Sabah) Sdn Bhd.

The parties to the JVA-Likas had on 3 November 2008 met all the Conditions Precedent in accordance to the provisions of the JVA-Likas.

(g) On 8 January 2009, FGB via its adviser, Aseambankers Malaysia Berhad ("Aseambankers") released an announcement that FGB is proposing to revise certain terms of the Company's existing RSLS ("Proposed Revision") issued pursuant to a restructuring exercise to regularise the Company's financial position in 2004 ("Restructuring").

Pursuant to the RSLS trust deed dated 17 September 2004 entered into between FGB and Universal Trustee (Malaysia) Berhad ("Trustee"), the Company had on 30 September 2004 issued a total of RM185,528,000 nominal value of RSLS to Jeram Bintang Sdn Bhd ("JBSB"). The RM185,528,000 RSLS comprise the principal amount of the RM135,564,000 nominal value of RSLS together with 4% coupon rate compounded annually up to maturity amounting to approximately RM49,964,000 nominal value payable in the form of RSLS. As at 8 January 2009, the total RSLS outstanding is at RM158,591,000.

On 27 May 2004, the Securities Commission ("SC") approved the Restructuring, with the condition, amongst others, to obtain the approval of the SC for any changes to the terms and conditions of the RSLS.

FGB is proposing the following revision to the terms of the RSLS:-

(a) to allow the coupon payment to be in the form of cash payable annually in arrears at each anniversary date from the years 2009 to 2012, on such nominal amount of the RSLS for the time being outstanding. In the event, for any reason(s) whatsoever, FGB is unable to pay, fully or partially, the coupon payment in cash on the anniversary date, all of the coupon payment due and payable but not paid in cash shall be capitalised into new RSLS.

(b) to allow that in the event that the partial redemption is made before the anniversary date of the RSLS, the accreted value of the 4% coupon per annum up to the proposed early redemption date will be added to the outstanding RSLS as of the last anniversary date or such early redemption date, whichever is the later, and such early redemption amounts will be used firstly to reduce the outstanding coupon and thereafter the principal outstanding RSLS. The coupon payment payable on the next anniversary date would then be adjusted to exclude the earlier coupon payment made.

However, no redemption will be carried out unless it is sufficient to pay the outstanding coupon accrued from the last anniversary date or the date of that last early redemption payment, as the case may be, up to the proposed early redemption date and 14 days notice of such intention is given to JBSB and the Trustee.

FGB has obtained the consent from the existing holders of bonds issued by FGB ("Bond Holders"), JBSB and the Trustee for the Proposed Revision.

The Proposed Revision is subject to the following approvals being obtained:-

(a) the Bond Holders and JBSB, being the RSLS holder, for which FGB has obtained their consents;

(b) the Trustee, for which FGB has obtained its consent; and

(c) the SC.

An application has been submitted to the SC on 4 February 2009.

(h) FGB had on 4 February 2009 entered into a Shareholders' Agreement ("SA") with Mr. Saeed Abdulla Omar Saeed Al Amoudi for the purpose of carrying out the business activities related to facilities management in the United Arab Emirates ("UAE") via Faber L.L.C. ("FLLC"), a subsidiary company of FGB.

Under the terms of the SA, the shareholding structure of FLLC shall be as follows:

Party	Registered Shareholding	Beneficial Shareholding
FGB	294 shares (49%)	450 shares (75%)
Al Amoudi	306 shares (51%)	150 shares (25%)

The SA shall be terminated:

a) on the giving by one party of three (3) months written notice of termination to the other party without having to state reasons for the circumstances stated in the SA and at the occurrence of such event all shares either held by Al Amoudi shall deemed as "defaulting party" for the purpose of this Clause and FGB shall for this purpose be deemed to be the "non defaulting party". As such the defaulting party is requested to transfer all registered shares to FGB and sell the beneficial shareholding to FGB at a fair market value of the shares to be determined by the appointed auditor of FLLC within 30 days from the notice date.

b) in the event that FLLC does not procure any business within one (1) year following the lodgment of the Amended Memorandum of Article of FLLC reflecting the current shareholding of FLLC, unless the SA is mutually extended by the parties in writing.

18. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 December 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**
Debt securities						
PS	-	7,496	7,496	-	1,120	1,120
RSLS	160,207	-	160,207	-	-	-
Other borrowings						
Domestic – Bank	179	-	179	222	-	222
Foreign – Bank	-	-	-	1,417	-	1,417
Amount owing to corporate shareholder	-	1,787	1,787	-	-	-
Balance Sum owing to JBSB	17,786	-	17,786	-	-	-

* 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

(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. Nevertheless the Plaintiff has yet to provide the list and as such awaiting for the same.

In the meantime on 11 November 2008 the Plaintiff was issued with a notice to show cause to appear before the Judge on 17 November 2008 as there has been no further action in the proceedings. On the said date the Judge directed that the matter which was filed in the Commercial Division of the Kuala Lumpur High Court should have been filed in the Civil Division of the Kuala Lumpur High Court and ordered the Plaintiff to apply to transfer the matter from the Commercial Division to the Civil Division. We have yet to receive the application for transfer till to date.

(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. The said Application to stay the Court's proceedings pending arbitration was filed by our solicitors on 7th April 2008 (Enclosure 6). In the interim, the Plaintiff's solicitors, Messrs Jal & Lim, filed an application to withdraw as solicitors for the Plaintiff on 9th June 2008 ("the said withdrawal application"). The said withdrawal application was allowed by the Learned Judge on 1st July 2008, and Messrs Jal & Lim have since withdrawn themselves as solicitors on record for the Plaintiff.

Since then, the Plaintiff have appointed Messrs Wilson Wong & Tan as their new solicitors on record, and filed in their Notice of change of Solicitors on 2nd September 2008. During the last mention date on 3rd September 2008, the Learned Judge fixed Enclosure 6 for further mention on 19th November 2008, for the Plaintiff's solicitors to obtain instructions from their clients. During the mention date on 19th November 2008, the Plaintiff's solicitors indicated to the Learned Judge that the Plaintiff is agreeable to the reliefs prayed for in Enclosure 6 (i.e. to stay the proceedings pending arbitration), subject to an agreement between parties as to the issue of costs. The Learned Judge fixed Enclosure 6 for further mention date. Kindly take note that Enclosure 6 is now fixed for mention on 20th March 2009 for parties to indicate if the issue of costs can be settled. The Solicitors are of the view that in the event the stay is granted, there will be no need for us to comment on the probable outcome of the proceedings.

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

A Writ of Summons together with a Statement of Claim dated 7 April 2008 was served on FGB's solicitors, Messrs Cheang & Ariff, on 24 April 2008 through the Plaintiff's solicitors, Messrs Norendra & Yap.

The Plaintiff claims a sum of RM3,359,538.00 (with interest and costs) as purported professional fees for work done by the Plaintiff in procuring a purchaser for Sheraton Hanoi Hotel & Towers ("Sheraton Hanoi") as alleged. Sheraton Hanoi was 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 on its behalf on 29 April 2008. FGB has also served its Defence and filed a Counterclaim against the Plaintiff for breach of the Confidentiality Agreement between the parties. Besides general damages, FGB also seeks exemplary damages for breach of fiduciary duties and actionable abuse of process by the Plaintiff.

On 19 June 2008, the Plaintiff served its Reply and Defence to the Counterclaim. Subsequently the Plaintiff served a sealed application for summary judgment on the Defendant's Solicitors on 30 July 2008. The Plaintiff's application was fixed for hearing on 10 September 2008 but was adjourned on that day. The Learned Judge had directed the parties to submit and close their submissions by 17 December 2008. The application was fixed for decision on 21 January 2009 and the court dismissed the Plaintiff's application under Summary Judgment (Order 14) with cost.

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

The Group's revenue for the current quarter was lower by RM12.9 million or 7.9% to RM150.3 million from RM163.2 million in the preceding quarter. The Facilities Management Healthcare Division recorded a higher revenue of RM127.3 million (preceding quarter: RM123.4 million) mainly due to revenue contribution from clinical waste and linen supply for newly built hospitals. The Property Division recorded a lower revenue of RM15.6 million (preceding quarter: RM32.4 million) mainly due to lower progress billings for the projects in Laman Rimbunan, Kepong. The Facility Management Non-Healthcare Division, also recorded a lower revenue of RM4.9 million (preceding quarter RM5.8 million) mainly due to lower revenue from housekeeping business from India operation.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM28.4 million, as compared to RM22.9 million in the preceding quarter. Facilities Management Non-Healthcare recorded a higher PBT of RM67.5 million (preceding quarter RM1.9 million) mainly due to waiver of inter company debts. Property Division recorded a loss before tax of RM3.2 million (preceding quarter: RM5.6 million) also due to waiver of inter company debts. Excluding the inter company debts waiver, the Facilities Management Non-Healthcare made a loss of RM0.8 million and the Property Division made a profit of RM14.7 million. The inter company waiver by Facilities Management Non-Healthcare and Property Division has no impact to the Group's result as the same is eliminated on consolidation. Facilities Management Healthcare Division recorded a lower PBT of RM14.2 million (preceding quarter : RM17.6 million).

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

The Group's revenue for the current quarter of RM150.3 million was 11.8% or RM20.1 million lower than the corresponding quarter last year of RM170.4 million. The Facilities Management Healthcare Division recorded positive variance of RM3.8 million (corresponding quarter last year: RM123.5 million) mainly due to revenue contribution from clinical waste and linen supply for newly built hospitals. The Facility Management Non-Healthcare Division also recorded a higher revenue of RM4.9 million (corresponding quarter last year: negative RM0.6 million) due to recognition of revenue from business in India. The Property Division recorded lower revenue by RM31.1 million (corresponding quarter last year: RM46.7 million) mainly due to lower progress billings for the projects in Laman Rimbunan, Kepong.

For the current year, the Group recorded revenue of RM668.5 million against RM669.7 million for the preceding year. The RM1.2 million or 0.2% decrease was mainly due to lower revenue from Property Division by RM52.7 million due to the deferment of launching of property development projects after taking into consideration the current softening of property market in Malaysia. Facility Management Healthcare and Facility Management Non-Healthcare Divisions recorded higher revenue by RM34.8 million and RM14.8 million respectively against preceding year.

However, despite the lower revenue, the Group's current quarter PBT was higher by RM9.2 million to RM28.4 million as compared to RM19.2 million in the corresponding quarter last year mainly due to the finalization of some projects accounts by Property Division. The Group recorded higher current year PBT of RM110.1 million against RM99.4 million in the preceding year. The RM10.7 million or 11% increase mainly contributed by Facility Management Healthcare Division as a flow through of the higher revenue as explained above.

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

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	27,728	24,795	106,523	110,262
Adjusted tax	(7,209)	(6,695)	(27,696)	(29,771)
NOPAT	**20,519**	**18,100**	**78,827**	**80,491**
Economic charge computation:				
Average invested capital	350,108	457,283	355,290	457,283
Weighted average cost of capital ("WACC")	10.1%	12.4%	10.1%	12.4%
Economic charge	**8,865**	**14,192**	**35,984**	**56,768**
EP	**11,654**	**3,908**	**42,843**	**23,723**

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 December 2008 against the corresponding quarter last year :

EP of RM11.7 million is higher by RM7.8 million as compared to the preceding year corresponding quarter of RM3.9 million mainly due to a higher EBIT recorded.

(b) Performance of the current year ended 31 December 2008 against the corresponding period last year :

EP of RM42.8 million is higher by RM19.1 million as compared to the preceding year corresponding quarter of RM23.7 million mainly due to lower economic charge recorded.

24. **Achievement of the Headline Key Performance Indicators ("KPI") for the current year**

Arising from the current softening of property market in Malaysia, the Group has deferred the launching of four property development projects to a later stage. Therefore, the Group's headline KPI for revenue growth as announced in February 2008 is not met.

The Group exceeded its target ROE of 14% (excluding gain on disposal of FLSB of RM94.6 million) mainly due to the recognition of profits on the finalization of certain development projects accounts as well as higher interest income from placement of deposit on the sale proceeds from the sale of FLSB. At the same time, The Group has made concerted efforts to increase the operational efficiencies whilst at the same time improve the product quality and the level of service. All the above has contributed to the higher profit against the target despite the lower revenue.

The headline KPI is as follows:

	December 2008 (12 months) Actual	December 2008 (12 months) Target
Headline KPI		
Revenue Growth	(0.2 %)	10.0%
Return on Equity*	18.3%	14.0%

* Return on Equity excludes gain on disposal of FLSB of RM94.6 million recognized in the current year.

25. **Prospect for the next financial year**

The Group will endeavour to improve the contribution from all business divisions despite the challenges of the current economic scenario. The challenge is to ensure that the Group's growth strategy for the property and overseas business expansion is achieved taking cognisance of the world's current economic scenario.

26. **Profit forecast**

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

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
		31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
		RM'000	RM'000	RM'000	RM'000
(a)	Basic earnings per share				
	Profit from continuing operations attributable to equity holders of the Company	17,863	7,785	61,090	48,721
	Profit from discontinued operations attributable to equity holders of the Company	-	3,758	94,606	3,241
	Profit attributable to equity holders of the Company	17,863	11,543	155,696	51,962
	Weighted average number of ordinary shares in issue ('000)	363,001	338,344	363,001	325,138
	Basic earnings per share for:				
	Profit from continuing operations	4.92 sen	2.30 sen	16.83 sen	14.98 sen
	Profit from discontinued operations	-	1.11 sen	26.06 sen	1.00 sen
	Profit for the year	4.92 sen	3.41 sen	42.89 sen	15.98 sen
(b)	Diluted earnings per share				
	Profit from continuing operations attributable to equity holders of the Company	17,863	7,785	61,090	48,721
	Profit from discontinued operations attributable to equity holders of the Company	-	3,758	94,606	3,241
	Diluted profit attributable to equity holders of the Company	17,863	11,543	155,696	51,962
	Weighted average number of ordinary shares in issue ('000)	363,001	453,344	363,001	440,138
	Diluted earnings per share for:				
	Profit from continuing operations	4.92 sen	1.72 sen	16.83 sen	11.07 sen
	Profit from discontinued operations	-	0.83 sen	26.06 sen	0.74 sen
	Profit for the year	4.92 sen	2.55 sen	42.89 sen	11.81 sen

By Order of the Board
SURIATI ASHARI (LS0009029)
Secretary

Kuala Lumpur
25 February 2009