

FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009.

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 31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
(a) Revenue	140,926	168,564	140,926	168,564
(b) Cost of sales	(100,562)	(115,970)	(100,562)	(115,970)
(c) Gross profit	40,364	52,594	40,364	52,594
(d) Other income	1,580	2,489	1,580	2,489
(e) Expenses	(21,176)	(21,352)	(21,176)	(21,352)
(f) Finance costs	(1,564)	(1,993)	(1,564)	(1,993)
(g) Depreciation and amortization	(5,137)	(4,921)	(5,137)	(4,921)
(h) Profit before income tax	14,067	26,817	14,067	26,817
(i) Income tax	(4,803)	(8,475)	(4,803)	(8,475)
(j) Profit for the period from continuing operations	9,264	18,342	9,264	18,342
Discontinued Operations				
(k) Profit for the period from discontinued operations	-	96,452	-	96,452
(l) Profit for the period	9,264	114,794	9,264	114,794
Attributable to:				
(m) Equity holders of the Company	7,266	108,745	7,266	108,745
(n) Minority interests	1,998	6,049	1,998	6,049
	9,264	114,794	9,264	114,794

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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
		31/3/2009	31/3/2008	31/3/2009	31/3/2008
2.	Earnings per share based on 1(m)				
	above:-				
	(a) Basic (based on 2009: 363,001,053 [2008: 363,001,053] ordinary shares)				
	Earnings per share attributable to equity holders of the Company				
	Profit from continuing operations	2.00 sen	3.39 sen	2.00 sen	3.39 sen
	Profit from discontinued operations	-	<u>26.57 sen</u>	-	<u>26.57 sen</u>
	Profit for the period	<u>2.00 sen</u>	<u>29.96 sen</u>	<u>2.00 sen</u>	<u>29.96 sen</u>
	(b) Fully diluted (based on 2009: 363,001,053 ordinary shares [2008 weighted average: 478,001,053 enlarged number of ordinary shares])				
	Earnings per share attributable to equity holders of the Company				
	Profit from continuing operations	2.00 sen	2.57 sen	2.00 sen	2.57 sen
	Profit from discontinued operations	-	<u>20.18 sen</u>	-	<u>20.18 sen</u>
	Profit for the period	<u>2.00 sen</u>	<u>22.75 sen</u>	<u>2.00 sen</u>	<u>22.75 sen</u>

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited	Audited
		As at end of current quarter	As at preceding financial year end
	Note	31/3/2009	31/12/2008
		RM'000	RM'000
ASSETS			
1	Non-current assets		
	Property, plant and equipment	92,057	92,906
	Land held for property development	52,476	33,744
	Prepaid land lease payments	3,830	3,852
	Intangible assets	36,592	37,392
	Other investments	771	771
	Trade and other receivables	1,883	1,883
	Deferred tax assets	352	1,919
		187,961	172,467
2	Current assets		
	Property development costs	53,294	51,258
	Inventories	16,196	15,813
	Trade and other receivables	227,928	207,428
	Marketable securities	12	392
	Short term deposits*	164,587	175,514
	Cash and bank balances*	130,115	136,514
		592,132	586,919
	Total assets	780,093	759,386

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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
Note	31/03/2009	31/12/2008
	RM'000	RM'000
EQUITY AND LIABILITIES		
3	Equity attributable to equity holders of the Company	
	Share capital	363,001
	Share premium	115,985
	Other reserves	(358)
	Accumulated losses	(153,291)
		325,337
4	Minority interests	62,184
	Total equity	387,521
5	Non-current liabilities	
	Retirement benefit obligations	3,651
	Provisions	654
	Borrowings	189,035
	Deferred tax liabilities	409
		193,749
6	Current liabilities	
	Retirement benefit obligations	645
	Provisions	149
	Borrowings	1,606
	Trade and other payables	191,646
	Tax payable	4,777
		198,823
	Total liabilities	392,572
	Total equity and liabilities	780,093
7	Net assets per ordinary share attributable to ordinary equity holders of the Company	RM0.90
		RM0.88

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

* Cash, bank balances and short term deposits

Included in the cash, bank balances and short term deposits of the Group is RM110,476,000 (2008 : RM98,104,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 31/3/2009	Unaudited Three months to 31/3/2008
Operating Activities	RM'000	RM'000
Cash receipts from customers	137,265	184,650
Cash payments to suppliers	(81,048)	(123,789)
Cash payments to employees and for expenses	(48,002)	(52,467)
Cash generated from operations	8,215	8,394
Interest paid	(6)	(12)
Income Tax paid	(7,307)	(6,571)
Net cash generated from operating activities	902	1,811
Investing Activities		
Proceeds from disposal of property, plant and equipment	184	-
Interest received	1,581	1,856
Dividend received	12	-
Purchase of property, plant and equipment	(3,355)	(4,567)
Purchase of land held for property development	(16,650)	-
Cash received from disposal of a subsidiary net of cash and cash equivalent disposed	-	212,909
Net cash (used in) / generated from investing activities	(18,228)	210,198
Financing Activities		
Repayment of shareholders loan to minority shareholder of subsidiaries	-	(161)
Net cash used in financing activities	-	(161)
Net change in Cash and Cash Equivalents	(17,326)	211,848
Cash and Cash Equivalents as at beginning of financial period	312,028	227,046
Cash and Cash Equivalents as at end of financial period	294,702	438,894
(a) Cash and Cash Equivalents comprise the following amounts:		
Short term deposits	164,587	376,975
Cash and bank balances	130,115	61,919
	294,702	438,894

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to equity holders of the Company →							Total Equity
	← Non-distributable →			Accumulated Losses	Total	Minority Interests	Total Equity	
	Share Capital	Share Premium	Redeemable Convertible Preference Shares					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three months to 31 March 2009 (unaudited)								
Balance as at 1 January 2009	363,001	115,985	-	(302)	(160,557)	318,127	59,066	377,193
Foreign currency translation recognized directly in equity	-	-	-	(56)	-	(56)	-	(56)
Profit for the period	-	-	-	-	7,266	7,266	1,998	9,264
Total recognized income and expense for the period	-	-	-	(56)	7,266	7,210	1,998	9,208
Conversion of preference shares in a subsidiary	-	-	-	-	-	-	1,120	1,120
Balance as at 31 March 2009	363,001	115,985	-	(358)	(153,291)	325,337	62,184	387,521

	← Attributable to equity holders of the Company →							Total Equity
	← Non-distributable →			Accumulated Losses	Total	Minority Interests	Total Equity	
	Share Capital	Share Premium	Redeemable Convertible Preference Shares					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three months to 31 March 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	-	-	-	5,443	-	5,443	(5,706)	(263)
Profit for the period	-	-	-	-	108,745	108,745	6,049	114,794
Total recognized income and expense for the period	-	-	-	5,443	108,745	114,188	343	114,531
Disposal of subsidiary	-	-	-	(21,668)	-	(21,668)	-	(21,668)
Balance as at 31 March 2008	363,001	115,985	115,000	(2,683)	(202,498)	388,805	106,732	495,537

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 2008.

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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 Audited Financial Statements for the year ended 31 December 2008.

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 2008 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2008 was not qualified.

3. Seasonal or cyclical factors

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

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

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

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior interim periods of the current financial 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 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 2009.

7. Dividend

For the financial year ended 31 December 2008, the Directors proposed a final dividend of 4% less 25% tax on 363,001,000 ordinary shares, amounting to a net dividend payable of RM10,890,030 (3.00 sen net per ordinary share) [2007 : a final dividend of 3% less 26% tax on 363,001,000 ordinary shares, amounting to a net dividend payment of RM8,059,000 (2.22 sen net per ordinary share) was paid on 27 June 2008].

The Directors do not recommend the payment of any dividend for the current period ended 31 March 2009 (2008 : nil).

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

Segment information for the current financial period to 31 March 2009 is as follows:

By business segment	Facilities Management			Others RM'000	Elimination RM'000	Group RM'000
	Properties RM'000	Non-Healthcare RM'000	Healthcare RM'000			
Revenue						
External sales	6,224	6,317	125,670	2,715	-	140,926
Inter-segment sales	-	-	-	1,970	(1,970)	-
Total Revenue	6,224	6,317	125,670	4,685	(1,970)	140,926
Results						
Segment results	(339)	40	17,870	(1,155)	(785)	15,631
Finance costs	-	-	-	(1,564)	-	(1,564)
Profit / (loss) before income tax	(339)	40	17,870	(2,719)	(785)	14,067
Income tax	(364)	(31)	(4,400)	(8)	-	(4,803)
Profit / (loss) for the period	(703)	9	13,470	(2,727)	(785)	9,264
Attributable to:						
Equity holders of the Company	(1,192)	257	11,713	(2,727)	(785)	7,266
Minority interests	489	(248)	1,757	-	-	1,998
	(703)	9	13,470	(2,727)	(785)	9,264

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 2009 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2009 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 or restructuring.

11. **Contingent liabilities**

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2008 except as disclosed below:

Description of contingent liabilities	RM'000
Increase in claim for alleged non-payment of debts	25

12. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	12,626

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13. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	4,820	6,638	4,820	6,638
Deferred tax				
- overprovision in prior years	(17)	1,837	(17)	1,837
	<u>4,803</u>	<u>8,475</u>	<u>4,803</u>	<u>8,475</u>

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

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

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

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

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

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

	As at 31/3/2009 RM'000
Total investments at cost	<u>40</u>
Total investments at book value net of accumulated impairment loss	<u>12</u>
Total investments at market value	<u>12</u>

On 24 September 2008, TC Parking Sdn Bhd ("TC Parking"), a wholly owned subsidiary company of FGB, accepted the Selective Capital Repayment exercise under Section 64 of the Companies Act, 1965 ("SCR"), involving a reduction of the existing issued and paid-up share capital of Metacorp Berhad. TC Parking held 799,998 shares in Metacorp Berhad. Subsequently, on 13 March 2009, TC Parking received an amount of RM0.50 for each share held in Metacorp Berhad and one (1) ordinary share of RM1.00 each in MTD ACPI Engineering Berhad ("MTDACPI") for every twenty (20) Metacorp Berhad shares held. Accordingly TC Parking has been allotted 40,000 shares of RM1.00 each in MTDACPI.

16. **Status of corporate proposals announced but not completed as at the date of this announcement**

There are no corporate proposals announced but not completed as at the date of this announcement except as stated below:

- (a) On 5 August 2004, Intensive Quest Sdn Bhd ("IQSB"), a 63% owned subsidiary company of FGB has been placed under members' voluntary liquidation ("the MVL") following the passing of a special resolution by its members at an extraordinary general meeting held on the same day.

The MVL of IQSB is in line with the provisions of the Shareholders' Agreement in respect of IQSB dated 8 April 2004 between FGB and 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) 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.

- (c) On 8 January 2009, FGB via its adviser, Aseambankers Malaysia Berhad ("Aseambankers") released an announcement that FGB is proposing to revise certain terms of FGB's existing RSLs ("Proposed Revision"), which were 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"), FGB 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 JBSB and the Trustee for the Proposed Revision. FGB had on 2 March 2009 received approval from the SC via, its letter dated 27 February 2009 on the Proposed Revision.

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- (d) 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:

<u>Party</u>	<u>Registered Shareholding</u>	<u>Beneficial Shareholding</u>
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.

17. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 March 2009 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Debt securities</u>						
PS	-	7,496	7,496	-	-	-
RSLs	161,771	-	161,771	-	-	-
<u>Other borrowings</u>						
Domestic – Bank	195	-	195	200	-	200
Foreign – Bank	-	-	-	1,406	-	1,406
Amount owing to corporate shareholder	-	1,787	1,787	-	-	-
Balance Sum owing to JBSB	17,786	-	17,786	-	-	-
TOTAL	179,752	9,283	189,035	1,606	-	1,606

* The RSLs issued comprises RM135,564,000 nominal value of RSLs and 4% coupon compounded annually up to a maturity term of 8 years amounting up to RM49,964,000 nominal value payable in the form of RSLs.

18. Off Balance Sheet financial instruments

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

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19. **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.

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(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 on 21st May 2009 as requested by Plaintiff’s solicitors in order to obtain further instruction in regards to the issue of cost. The Court directed that parties to resolve the issue of cost before the next mention date failing which the matter will be determined by the judge.

(iv) **Kuala Lumpur High Court Suit No: D1-22-447-2008 (Previdran Sathurgasinghe trading under Zerine 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. The matter is now fixed for mention on 24th March 2009 for Case Management and thereafter was fixed for further mention on 25th May 2009 for counsels to comply with the courts directions for Case Management.

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

The Group’s revenue for the current quarter was lower by RM9.4 million or 6.3% to RM140.9 million from RM150.3 million in the preceding quarter. The Facility Management Non-Healthcare Division recorded a higher revenue of RM6.3 million (preceding quarter: RM4.9 million) mainly due to revenue from new local projects. The Facilities Management Healthcare Division recorded a lower revenue of RM125.7 million (preceding quarter: RM127.3 million) mainly due to lower revenue contribution from linen and laundry services. The Property Division, also recorded a lower revenue of RM6.2 million (preceding quarter: RM15.6 million) mainly due to lower progress billings for the projects in Laman Rimbunan, Kepong.

The Group recorded lower profit before tax (“PBT”) for the current quarter of RM14.1 million, as compared to RM28.4 million in the preceding quarter. Facilities Management Healthcare Division recorded a higher PBT of RM17.9 million (preceding quarter: RM14.2 million). Facilities Management Non-Healthcare also recorded a higher PBT of RM0.04 million (preceding quarter: loss of RM0.8 million). However Property Division recorded a loss before tax of RM0.3 million (preceding quarter: profit of RM14.5 million) and the Group also recorded lower interest income from placement of deposit during the current quarter.

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

The Group's revenue for the current quarter of RM140.9 million was 16.4% or RM27.7 million lower than the corresponding quarter last year of RM168.6 million. The Facilities Management Healthcare Division recorded positive variance of RM6.8 million (corresponding quarter last year: RM118.9 million) mainly due to new variation order. The Facility Management Non-Healthcare Division also recorded a higher revenue by RM3.0 million (corresponding quarter last year: RM3.3 million) due to revenue from new local projects. The Property Division recorded lower revenue by RM38.7 million (corresponding quarter last year: RM44.9 million) mainly due to lower progress billings for the projects in Laman Rimbunan, Kepong.

The Group's current quarter PBT was lower by RM12.7 million to RM14.1 million as compared to RM26.8 million in the corresponding quarter last year mainly as a result of loss before tax from Property Division of RM0.3 million in the current quarter compared to profit before tax of RM12.7 million in the corresponding quarter as a results of lower revenue recorded by Property Division.

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax</u>				
<u>("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	18,927	26,521	18,927	26,521
Adjusted tax	(4,732)	(6,895)	(4,732)	(6,895)
NOPAT	14,195	19,626	14,195	19,626
<u>Economic charge computation:</u>				
Average invested capital	279,120	356,928	279,120	356,928
Weighted average cost of capital ("WACC")	10.3%	11.7%	10.3%	11.7%
Economic charge	7,151	10,413	7,151	10,413
EP	7,044	9,213	7,044	9,213

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.

EP of RM7.0 million is lower by RM2.2 million as compared to the preceding year corresponding quarter of RM9.2 million mainly due to a lower EBIT recorded.

23. **Achievement of the Headline Key Performance Indicators ("KPI") for the current period**

The operational performance especially by the Property Division was largely affected by the continuous slowdown in the property market. However, 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:

	March 2009	December 2009
	(3 months)	(12 months)
	Actual	Target
Headline KPI		
Revenue Growth*	(15.7%) (annualized)	12.0% - 15.0%
Return on Equity	2.3%	12.0% - 14.0%

* The Group's annualized revenue growth for the period under review would have been 4.6%, excluding the Property Division.

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24. **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 is achieved taking cognisance of the world's current economic scenario.

25. **Profit forecast**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Profit from continuing operations attributable to equity holders of the Company	7,266	12,293	7,266	12,293
Profit from discontinued operations attributable to equity holders of the Company	-	96,452	-	96,452
Profit attributable to equity holders of the Company	<u>7,266</u>	<u>108,745</u>	<u>7,266</u>	<u>108,745</u>
Weighted average number of ordinary shares in issue ('000)	<u>363,001</u>	<u>363,001</u>	<u>363,001</u>	<u>363,001</u>
Basic earnings per share for:				
Profit from continuing operations	2.00 sen	3.39 sen	2.00 sen	3.39 sen
Profit from discontinued operations	-	26.57 sen	-	26.57 sen
Profit for the period	<u>2.00 sen</u>	<u>29.96 sen</u>	<u>2.00 sen</u>	<u>29.96 sen</u>
(b) Diluted earnings per share				
Profit from continuing operations attributable to equity holders of the Company	7,266	12,293	7,266	12,293
Profit from discontinued operations attributable to equity holders of the Company	-	96,452	-	96,452
Diluted profit attributable to equity holders of the Company	<u>7,266</u>	<u>108,745</u>	<u>7,266</u>	<u>108,745</u>
Weighted average number of ordinary shares in issue ('000)	<u>363,001</u>	<u>478,001</u>	<u>363,001</u>	<u>478,001</u>
Diluted earnings per share for:				
Profit from continuing operations	2.00 sen	2.57 sen	2.00 sen	2.57 sen
Profit from discontinued operations	-	20.18 sen	-	20.18 sen
Profit for the period	<u>2.00 sen</u>	<u>22.75 sen</u>	<u>2.00 sen</u>	<u>22.75 sen</u>