

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009.**

**THE FIGURES HAVE NOT BEEN AUDITED.**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>31/12/2009</b> RM'000	Preceding year corresponding quarter <b>31/12/2008</b> (As Restated) RM'000	Twelve months to <b>31/12/2009</b> RM'000	Twelve months to <b>31/12/2008</b> (As Restated) RM'000
<b>Continuing Operations</b>				
(a) Revenue	303,931	147,756	805,282	661,224
(b) Cost of sales	(207,705)	(108,916)	(560,720)	(465,818)
(c) Gross profit	96,226	38,840	244,562	195,406
(d) Other income	2,480	3,446	6,865	12,983
(e) Expenses	(25,363)	(5,204)	(82,426)	(65,414)
(f) Finance costs	(1,848)	(2,187)	(6,724)	(8,118)
(g) Depreciation and amortization	(5,675)	(6,056)	(21,034)	(23,332)
(h) Profit before income tax	65,820	28,839	141,243	111,525
(i) Income tax	(13,300)	(6,300)	(34,829)	(29,834)
(j) Profit for the year from continuing operations	52,520	22,539	106,414	81,691
<b>Discontinued Operations</b>				
(k) Profit / (loss) for the year from discontinued operations	525	(427)	(306)	93,221
(l) Profit for the year	53,045	22,112	106,108	174,912
Attributable to:				
(m) Equity holders of the Company	42,569	17,863	82,681	155,696
(n) Minority interests	10,476	4,249	23,427	19,216
	<b>53,045</b>	<b>22,112</b>	<b>106,108</b>	<b>174,912</b>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
		(As Restated)		(As Restated)
<b>2. Earnings per share based on 1(m) above:-</b>				
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	11.59 sen	5.04 sen	22.86 sen	17.21 sen
Profit/(loss) from discontinued operations	<u>0.14 sen</u>	<u>(0.12) sen</u>	<u>(0.08) sen</u>	<u>25.68 sen</u>
Profit for the year	<u>11.73 sen</u>	<u>4.92 sen</u>	<u>22.78 sen</u>	<u>42.89 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
		31/12/2009	31/12/2008
		RM'000	RM'000
<b>ASSETS</b>			
1	Non-current assets		
	Property, plant and equipment	92,646	92,906
	Land held for property development	53,431	33,744
	Prepaid land lease payments	3,760	3,852
	Intangible assets	35,362	37,392
	Other investments	771	771
	Trade and other receivables	1,083	1,883
	Deferred tax assets	2,936	1,919
		189,989	172,467
2	Current assets		
	Property development costs	38,134	51,258
	Inventories	4,190	15,813
	Trade and other receivables	353,607	207,428
	Marketable securities	20	392
	Short term deposits*	244,514	175,514
	Cash and bank balances*	60,057	136,514
		700,522	586,919
	<b>Total assets</b>	<b>890,511</b>	<b>759,386</b>

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

	Unaudited	Audited
	As at end of current quarter	As at preceding financial year end
	31/12/2009	31/12/2008
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
3	Equity attributable to equity holders of the Company	
	Share capital	363,001
	Share premium	115,985
	Other reserves	(1,054)
	Accumulated losses	(88,766)
	<b>389,166</b>	<b>318,127</b>
4	Minority interests	
	67,186	59,066
	<b>456,352</b>	<b>377,193</b>
5	Non-current liabilities	
	Retirement benefit obligations	3,539
	Provisions	635
	Borrowings	177,504
	Deferred tax liabilities	1,658
	<b>183,336</b>	<b>193,512</b>
6	Current liabilities	
	Retirement benefit obligations	597
	Provisions	30
	Borrowings	1,954
	Trade and other payables	240,424
	Tax payable	7,818
	<b>250,823</b>	<b>188,681</b>
	<b>434,159</b>	<b>382,193</b>
	<b>890,511</b>	<b>759,386</b>
7	<b>Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)</b>	
	<b>1.07</b>	<b>0.88</b>

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 RM35,080,000 (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 Twelve months to 31/12/2009	Audited Twelve months to 31/12/2008 (As restated)
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	633,283	694,039
Cash payments to suppliers	(319,549)	(306,314)
Cash payments to employees and for expenses	(208,032)	(235,935)
Cash generated from operations	105,702	151,790
Interest paid	(6,724)	(164)
Income tax paid	(35,479)	(30,259)
Net cash generated from discontinued operations	281	617
<b>Net cash flow generated from operating activities</b>	<b>63,780</b>	<b>121,984</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	534	1,248
Investment in subsidiary	-	(85,500)
Net receipt/(payment) for other investment	400	(800)
Interest received	5,584	11,752
Dividend received	34	-
Purchase of land held for property development	(16,500)	(2,118)
Purchase of property, plant and equipment	(19,623)	(25,703)
Payment of intangible assets	(129)	(3,507)
Purchase of property, plant and equipment, representing net cash used in discontinued operations	(19)	(467)
Cash received from disposal of a subsidiary net of cash and cash equivalent disposed	-	211,063
Cash and cash equivalents disposed net off cash received from disposal of a subsidiary	(609)	-
Prepaid land lease payment	-	(950)
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(30,328)</b>	<b>105,018</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares to minority interest	139	3,937
Repayment of Balance Sum owing to Jeram Bintang Sdn Bhd ("JBSE")	(9,980)	(18,224)
Repayment of shareholders loan to minority shareholder of subsidiaries	-	(532)
Repayment of hire purchase obligations	(243)	(309)
Drawdown of other secured bank loans	417	1,417
Dividend paid	(10,890)	(8,059)
Dividend paid to minority shareholders of subsidiaries	(16,379)	(5,577)
Preference dividend paid to minority shareholders of a subsidiary	(1,792)	(1,792)
Loan from corporate shareholder of a subsidiary	-	1,786
Capital reduction	-	(115,000)
<b>Net cash flow used in financing activities</b>	<b>(38,728)</b>	<b>(142,353)</b>
<b>Net increase/(increase) change in cash and cash equivalents</b>	<b>(5,276)</b>	<b>84,649</b>
Net foreign exchange difference	(2,181)	333
Cash and cash equivalents as at beginning of year	312,028	227,046
<b>Cash and cash equivalents as at end of year</b>	<b>304,571</b>	<b>312,028</b>

(a)

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(a) Cash and Cash Equivalents comprise the following amounts:	Unaudited	Audited
	As at 31/12/2009	As at 31/12/2008
	RM'000	RM'000 (As Restated)
Short term deposits	244,514	175,514
Cash and bank balances	60,057	136,514
	304,571	312,028

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

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

← Attributable to equity holders of the Company →  
← Non-distributable →

	Share Capital	Share Premium	Other Reserves	Accumulated Losses	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Twelve months to 31 December 2009 (unaudited)</b>							
At 1 January 2009	363,001	115,985	(302)	(160,557)	<b>318,127</b>	59,066	<b>377,193</b>
Foreign currency translation recognized directly in equity	-	-	(752)	-	<b>(752)</b>	(187)	<b>(939)</b>
Profit for the year	-	-	-	82,681	<b>82,681</b>	23,427	<b>106,108</b>
Total recognized income and expense for the year	-	-	(752)	82,681	<b>81,929</b>	23,240	<b>105,169</b>
Conversion of preference shares in a subsidiary	-	-	-	-	-	1,120	<b>1,120</b>
Issue of shares by subsidiary to minority interest	-	-	-	-	-	139	<b>139</b>
Dividend	-	-	-	(10,890)	<b>(10,890)</b>	-	<b>(10,890)</b>
Dividend paid to minority shareholders of subsidiary companies	-	-	-	-	-	(16,379)	<b>(16,379)</b>
At 31 December 2009	363,001	115,985	(1,054)	(88,766)	<b>389,166</b>	67,186	<b>456,352</b>

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

	← Attributable to equity holders of the Company →							Total Equity RM'000
	← Non-distributable		Redeemable Convertible Preference Shares RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000						
<b>Twelve months to 31 December 2008 (audited)</b>								
At 1 January 2008	363,001	115,985	115,000	13,542	(311,243)	<b>296,285</b>	106,389	<b>402,674</b>
Foreign currency translation recognized directly in equity	-	-	-	10,212	-	<b>10,212</b>	(5,720)	<b>4,492</b>
Profit for the year	-	-	-	-	155,696	<b>155,696</b>	19,216	<b>174,912</b>
Share options under Employee Equity Scheme transferred to retained earnings	-	-	-	(2,388)	3,049	<b>661</b>	(661)	-
Total recognized income and expense for the year	-	-	-	7,824	158,745	<b>166,569</b>	12,835	<b>179,404</b>
Issue of shares by subsidiary to minority interest	-	-	-	-	-	-	3,937	<b>3,937</b>
Disposal of subsidiary	-	-	-	(21,668)	-	<b>(21,668)</b>	-	<b>(21,668)</b>
Accretion of interest in a subsidiary	-	-	-	-	-	-	(58,518)	<b>(58,518)</b>
Capital reduction	-	-	(115,000)	-	-	<b>(115,000)</b>	-	<b>(115,000)</b>
Dividend	-	-	-	-	(8,059)	<b>(8,059)</b>	-	<b>(8,059)</b>
Dividend paid to minority shareholders of subsidiary companies	-	-	-	-	-	-	(5,577)	<b>(5,577)</b>
At 31 December 2008	363,001	115,985	-	(302)	(160,557)	<b>318,127</b>	59,066	<b>377,193</b>

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 year.

**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 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 2009.

**7. Dividend**

A final dividend of 4%, less 25% tax, on ordinary shares of RM1.00 each was paid on 24 June 2009 in respect of the previous financial year, amounting to RM10,890,032 based on the issued and paid up share capital of the Company as at book closure date of 29 May 2009.

The Directors recommend the payment of a final dividend of 6% less 25% taxation on 363,001,053 ordinary shares, amounting to a dividend payable of RM16,335,047 (4.50 sen net per ordinary share) in respect of the current financial year.

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

Segment information for the current financial year to 31 December 2009 is as follows:

<b>By business segment</b>	<b>Properties</b>	<b>Integrated Facilities Management</b>	<b>Others</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Continuing Operations</b>					
<b>Revenue</b>					
External sales	122,488	682,794	-	-	<b>805,282</b>
Inter-segment sales	-	-	82,312	(82,312)	-
<b>Total Revenue</b>	<b>122,488</b>	<b>682,794</b>	<b>82,312</b>	<b>(82,312)</b>	<b>805,282</b>
<b>Results</b>					
Segment results	28,059	128,251	73,702	(82,045)	<b>147,967</b>
Finance costs	-	(380)	(6,344)	-	<b>(6,724)</b>
<b>Profit before income tax</b>	<b>28,059</b>	<b>127,871</b>	<b>67,358</b>	<b>(82,045)</b>	<b>141,243</b>
Income tax	(7,546)	(26,349)	(16,292)	15,358	<b>(34,829)</b>
<b>Profit for the year from continuing operations</b>	<b>20,513</b>	<b>101,522</b>	<b>51,066</b>	<b>(66,687)</b>	<b>106,414</b>
<b>Discontinued Operations</b>					
Loss for the year from discontinued operations	-	-	(306)	-	<b>(306)</b>
<b>Profit for the year</b>	<b>20,513</b>	<b>101,522</b>	<b>50,760</b>	<b>(66,687)</b>	<b>106,108</b>
<b>Attributable to:</b>					
Equity holders of the Company	10,840	96,021	50,760	(74,940)	<b>82,681</b>
Minority interests	9,673	5,501	-	8,253	<b>23,427</b>
	<b>20,513</b>	<b>101,522</b>	<b>50,760</b>	<b>(66,687)</b>	<b>106,108</b>

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 2009 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 year including business combinations, acquisitions or disposals of subsidiaries and long term investments or restructuring or discontinued operations except for the disposal of Kesan Suci Sdn Bhd ("KSSB"), a subsidiary of FGB.

FGB and Matang Holdings Berhad ("MHB") had on 13 July 2009 completed the acquisition of RM210,000 paid up share-capital comprising of 210,000 ordinary shares of RM1.00 each in Kesan Suci Sdn Bhd ("KSSB") from Advent (M) Sdn Bhd for a cash consideration of RM1.00. With the acquisition, the proportion of shareholdings held by FGB and MHB in KSSB are 637,500 ordinary shares of RM1.00 each (63.75%) and 362,500 ordinary shares of RM1.00 each (36.25%) respectively.

Subsequently, on 11 December 2009 FGB and MHB (collectively the "Vendors") had entered into a conditional share sale agreement with SAA Food Network Sdn Bhd ("Purchaser") for the disposal of the entire issued and paid-up share capital of RM1,000,000.00 comprising of 1,000,000 ordinary shares of RM1.00 each in KSSB at a total cash consideration of RM1.00 only ("the Disposal").

The Disposal price received by FGB and MHB are RM0.64 sen and RM0.36 sen respectively, in proportion to their respective shareholdings in KSSB.

The Disposal was completed on 30 December 2009 and as a result KSSB ceased to be a subsidiary of FGB.

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11. **Discontinued operations**

- (a) On 11 December 2009, FGB and MHB entered into a conditional share sale agreement with SAA Food Network Sdn Bhd for the disposal of KSSB as detailed in Note 10 above.
- (b) 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 for the disposal of FHHSB's entire shareholding in Faber Labuan Sdn Bhd ("FLSB") 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.

The disposal of FLSB was completed on 18 February 2008. The Group recognized a gain of disposal of subsidiary of RM94.6 million in the preceding year.

The results and cash flows of the discontinued operations are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>31/12/2009</b> RM'000	Preceding year corresponding quarter <b>31/12/2008</b> RM'000	Twelve months to <b>31/12/2009</b> RM'000	Twelve months to <b>31/12/2008</b> RM'000
Revenue	1,325	2,538	9,194	7,250
Loss before income tax	(142)	(427)	(973)	(1,385)
Gain on disposal of a subsidiary	667	-	667	94,606
Profit/(loss) for the year from discontinued operations	525	(427)	(306)	93,221
Cash flow generated from operating activities	383	714	281	617
Proceeds from disposal of a subsidiary net of cash of cash and cash equivalent disposed	(609)	-	(609)	211,063
Cash flow used in investing activities	-	(1,715)	-	(467)
Cash flow used in financing activities	-	-	-	-
Total cash flow	(226)	(1,001)	(328)	211,213

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 2008.

13. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	4,303

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14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	15,202	15,498	35,949	35,937
- Under / (Over) provision in prior years	(591)	(3,630)	178	(3,630)
- Deferred tax	<u>(1,365)</u>	<u>(5,872)</u>	<u>(1,352)</u>	<u>(2,777)</u>
	13,246	5,996	34,775	29,530
Foreign taxation				
- Current taxation	119	304	119	304
- Under / (Over) provision in prior years	<u>(65)</u>	<u>-</u>	<u>(65)</u>	<u>-</u>
	<u>13,300</u>	<u>6,300</u>	<u>34,829</u>	<u>29,834</u>

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 <b>31/12/2009</b> RM'000
Total investments at cost	<u>40</u>
Total investments at book value net of accumulated impairment loss	<u>20</u>
Total investments at market value	<u>20</u>

On 24 September 2008, TC Parking Sdn Bhd ("TC Parking"), a wholly-owned subsidiary 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.

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 of FGB has been placed under members' voluntary liquidation ("the MVL") following the passing of a special resolution by its members at an extraordinary general meeting held on the same day.

The MVL of IQSB is in line with the provisions of the Shareholders' Agreement in respect of IQSB dated 8 April 2004 between FGB and Medlux Overseas (Guernsey) Limited ("MOG"), in which FGB and MOG have mutually agreed to voluntarily wind-up IQSB in accordance with applicable laws of Malaysia.

The MVL of IQSB has yet to be completed.

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- (b) 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 Michael 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) FGB had on 4 February 2009 entered into a Shareholders' Agreement ("SA") with Mr. Saeed Abdulla Omar Saeed Al Amoudi ("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%)

Subsequently, FGB had on 16 November 2009, entered into a Letter of Amendment dated 10 November 2009 for the purpose of varying the terms and conditions of the SA. Save and except for the amendments made, all other terms and conditions of the SA shall subsist and remain in full force and effect.

The summary of the main amendments to the SA is as follows:

- (i) that the Chairman of the Board of FLLC shall be Al Amoudi. In the event Al Amoudi transfers or otherwise disposes of his shares in FLLC, the Chairman of the Board of FLLC shall be appointed from among the Directors nominated by FGB; and
  - (ii) that the voting at Board meetings of FLLC shall be subject to an unanimous approval of all Directors who are attending and voting at the meeting.
- (d) On 13 October 2009, Fraser's Hill Merlin Hotel Sdn Bhd ("FHHM"), a 51%-owned subsidiary of Faber Hotels Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of FGB had been placed under MVL pursuant to Section 254(1)(b) of the Companies Act, 1965.

Pursuant thereto, Mr Heng Ji Keng and Mr Michael 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 FHHM is to rationalise and streamline FGB Group's structure.

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18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 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
<b>Debt securities</b>						
Preference Shares	-	7,496	7,496	-	-	-
RSLs	160,207	-	160,207	-	-	-
<b>Other borrowings</b>						
Domestic – Bank	209	-	209	120	-	120
Foreign – Bank	-	-	-	1,834	-	1,834
Amount owing to corporate shareholder	-	1,786	1,786	-	-	-
Balance Sum owing to JBSB	7,806	-	7,806	-	-	-
<b>TOTAL</b>	<b>168,222</b>	<b>9,282</b>	<b>177,504</b>	<b>1,954</b>	<b>-</b>	<b>1,954</b>

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

19. **Off Balance Sheet financial instruments**

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

20. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except as disclosed below:

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

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

The appeal was allowed by the Court of Appeal on 28 September 2000 and leave was granted. The matter was remitted back to High Court to hear the Union’s application for an order of certiorari against the Industrial Court’s decision. The High Court however, dismissed the Union’s application with cost on 9 February 2004, against which decision, the Union has appealed to the Court of Appeal under Civil Appeal No. W-04-22-04 on 3 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 matter was fixed for hearing on 22 February 2010 wherein the Court of Appeal dismissed the Union’s appeal and awarded cost to us amounting to RM3,000.00.

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. S6-22-1085-2008) formerly under (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

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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 Builder 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. The matter has now been transferred with a new suit no. S6-22-1085-2008. It is now fixed for further mention on 8 May 2010 pending the Plaintiff's appeal against winding-up order at the Federal Court.

(iii) **BNoble Sdn Bhd ("BNoble") vs. Cermin Cahaya Sdn Bhd ("CCSB") and Faber Medi-Serve Sdn Bhd ("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 7 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 9 June 2008 ("the said withdrawal application"). The said withdrawal application was allowed by the Learned Judge on 1 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 2 September 2008. During the last mention date on 3 September 2008, the Learned Judge fixed Enclosure 6 for further mention on 19 November 2008, for the Plaintiff's solicitors to obtain instructions from their clients. During the mention date on 19 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 8 October 2009 as requested by Plaintiff's solicitors in order to obtain further instruction in regards to the issue of cost. The Court granted an Order that all Court proceedings in Kuala Lumpur High Court Civil Suit No: S6-22-215-2008 be stayed and fixed costs in the sum of RM4,000.00 to be paid by the Plaintiff to the Defendants.

(iv) **Kuala Lumpur High Court Suit No: D1-22-447-2008 (Previndran Sathurgasinghe trading under Zerine Properties vs FGB)**

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 FHHSB, a wholly-owned subsidiary of FGB through FHHSB's previously wholly-owned subsidiary, 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 was fixed

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for mention on 24 March 2009 for Case Management and thereafter was fixed for further mention on 25 May 2009 for counsels to comply with the courts directions for Case Management. The Court has now fixed 18 March 2010 for further Case Management for parties to finalise Bundle of Documents, Statements of Agreed Facts and Agreed Main Issues.

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

	Current quarter <b>31/12/2009</b>	Immediate preceding quarter <b>30/09/2009</b>	Variance	Variance
	RM'000	RM'000	RM'000	%
<b>Revenue:</b>				
Integrated Facilities Management	254,711	153,268	101,443	66.2
Property	49,220	42,041	7,179	17.1
<b>Group</b>	<b>303,931</b>	<b>195,309</b>	<b>108,622</b>	<b>55.6</b>
<b>Profit Before Tax:</b>				
Integrated Facilities Management	58,128	24,300	33,828	139.2
Property	8,790	13,064	(4,274)	(32.7)
Others/Elimination	(1,098)	(2,977)	1,879	63.1
<b>Group</b>	<b>65,820</b>	<b>34,387</b>	<b>31,433</b>	<b>91.4</b>

The Group's revenue for the current quarter was higher by RM108.6 million or 55.6% to RM303.9 million from RM195.3 million in the preceding quarter. The Integrated Facilities Management Division recorded a higher revenue of RM254.7 million mainly due to revenue from new business in UAE as well as higher bed occupancy rate and additional new facilities at the government's hospitals. The Property Division, also recorded a higher revenue of RM49.2 million mainly due to higher progress billings for the projects in Laman Rimbunan, Kepong.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM65.8 million, as compared to RM34.4 million in the preceding quarter. The Integrated Facilities Management Division recorded a higher PBT of RM58.1 million. However, the Property Division recorded a lower profit before tax of RM8.8 million.

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

	Current year quarter <b>31/12/2009</b>	Preceding year corresponding quarter <b>31/12/2008</b>	Variance	Variance	Twelve months to <b>31/12/2009</b>	Twelve months to <b>31/12/2008</b>	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue:</b>								
Integrated Facilities Management	254,711	132,159	122,552	92.7	682,794	507,936	174,858	34.4
Property	49,220	15,597	33,623	215.6	122,488	153,288	(30,800)	(20.1)
<b>Group</b>	<b>303,931</b>	<b>147,756</b>	<b>156,175</b>	<b>105.7</b>	<b>805,282</b>	<b>661,224</b>	<b>144,058</b>	<b>21.8</b>
<b>Profit Before Tax:</b>								
Integrated Facilities Management	58,128	13,422	44,706	333.1	127,871	67,741	60,130	88.8
Property	8,790	7,233	1,557	21.5	28,059	42,715	(14,656)	(34.3)
Others/Elimination	(1,098)	8,184	(9,282)	(113.4)	(14,687)	1,069	(15,756)	(1,473.9)
<b>Group</b>	<b>65,820</b>	<b>28,839</b>	<b>36,981</b>	<b>128.2</b>	<b>141,243</b>	<b>111,525</b>	<b>29,718</b>	<b>26.6</b>

The Group's revenue for the current quarter of RM303.9 million was 105.7% or RM156.2 million higher than the corresponding quarter last year of RM147.8 million. The Integrated Facilities Management Division recorded positive variance of RM122.6 million mainly due to business expansion in UAE and higher new variation order, higher bed occupancy rate and additional new facilities at the government's hospitals within FGB's concession area. The Property Division also recorded higher revenue of RM49.2 million, an increase by RM33.6 million mainly due to higher progress billings for the projects in Laman Rimbunan.

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For the year, the Group recorded a revenue of RM805.3 million against RM661.2 million for the preceding year. The RM144.1 million or 21.8% positive variance was mainly due to higher revenue from the Integrated Facilities Management Division by RM174.9 million against preceding year. However, the Property Division recorded negative variance of RM30.8 million.

The Group's current quarter PBT was higher by RM37.0 million to RM65.8 million as compared to RM28.8 million in the corresponding quarter last year and current year PBT of RM141.2 million, is higher by RM29.7 million against RM111.5 million in the preceding year corresponding period. This was mainly due to higher revenue recorded by Integrated Facilities Management, 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
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
	RM'000	RM'000	RM'000	RM'000
		(As Restated)		(As Restated)
<b><u>Net operating profit after tax</u></b>				
<b><u>("NOPAT") computation:</u></b>				
Earnings before interest and tax ("EBIT")	67,318	27,711	142,765	106,507
Adjusted tax	(16,830)	(7,205)	(35,691)	(27,692)
<b>NOPAT</b>	<b><u>50,488</u></b>	<b><u>20,506</u></b>	<b><u>107,074</u></b>	<b><u>78,815</u></b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	310,857	352,854	310,857	352,854
Weighted average cost of capital ("WACC")	11.5%	10.1%	11.5%	10.1%
<b>Economic charge</b>	<b><u>8,975</u></b>	<b><u>8,934</u></b>	<b><u>35,901</u></b>	<b><u>35,693</u></b>
<b>EP</b>	<b><u>41,513</u></b>	<b><u>11,572</u></b>	<b><u>71,173</u></b>	<b><u>43,122</u></b>

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

(a) Performance of the current quarter ended 31 December 2009 against the corresponding quarter last year :

EP of RM41.5 million is higher by RM29.9 million as compared to the preceding year corresponding quarter of RM11.6 million mainly due to a higher EBIT and lower average invested capital following the completion of disposal of FLSB.

(b) Performance of the current year ended 31 December 2009 against last year :

EP of RM71.2 million is higher by RM28.1 million as compared to last year of RM43.1 million mainly due to a higher EBIT despite slightly higher economic charge due to higher WACC.

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

The Group exceeded both its target KPI for the year. The Group’s focused efforts on Integrated Facilities Management (IFM) division’s overseas business expansion in the past years, particularly in United Arab Emirates (UAE) is bearing positive results. The contribution from UAE IFM business is about 15% to the Group’s total revenue for the year. At the same time, the Group has made concerted efforts to increase the operational efficiencies and improve the product quality and the level of service.

The achievement on the headline KPI is as follows:

	<b>December 2009</b> <b>(12 months)</b> <b>Actual from operations</b>	<b>December 2009</b> <b>(12 months)</b> <b>Target</b>
<b>Headline KPI</b>		
Revenue Growth	19.4%*	12.0% - 15.0%
Return on Equity	21.5%*	12.0% - 14.0%

\* The achievement on the headline KPI for revenue growth and ROE above exclude the net positive impact of non-recurrence one-off items recorded during the year at revenue and profit after tax and minority interest of RM16 million and RM7.5 million respectively.

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

The Group will endeavour to improve contribution from all business divisions and focus its efforts on IFM business expansion, local and overseas. The Group expects further growth from the UAE IFM business to continue contributing to the Group’s growth trend. On property division, Group will strive to improve the contribution in anticipation of the improved property market sector.

26. **Profit forecast**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit from continuing operations attributable to equity holders of the Company	42,044	18,290	82,987	62,475
Profit/(loss) from discontinued operations attributable to equity holders of the Company	525	(427)	(306)	93,221
Profit attributable to equity holders of the Company	<u>42,569</u>	<u>17,863</u>	<u>82,681</u>	<u>155,696</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	11.59 sen	5.04 sen	22.86 sen	17.21 sen
Profit/(loss) from discontinued operations	<u>0.14 sen</u>	<u>(0.12) sen</u>	<u>(0.08) sen</u>	<u>25.68 sen</u>
Profit for the year	<u>11.73 sen</u>	<u>4.92 sen</u>	<u>22.78 sen</u>	<u>42.89 sen</u>

**Kuala Lumpur**  
**25 February 2010**

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