FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
			31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
			RM'000	RM'000	RM'000	RM'000
1	(a)	**Revenue**	**203,949**	**303,931**	**888,846**	**805,282**
	(b)	Cost of sales	(171,965)	(207,705)	(668,812)	(560,720)
	(c)	Gross profit	31,984	96,226	220,034	244,562
	(d)	Other income	3,487	2,480	9,287	6,865
	(e)	Expenses	(14,610)	(31,038)	(93,545)	(103,460)
	(f)	Finance costs	(1,653)	(1,848)	(6,616)	(6,724)
	(g)	**Profit before income tax**	**19,208**	**65,820**	**129,160**	**141,243**
	(h)	Income tax	(10,258)	(13,300)	(25,828)	(34,829)
	(i)	**Profit for the year from continuing operations**	**8,950**	**52,520**	**103,332**	**106,414**
	Discontinued Operations					
	(j)	Profit/(Loss) for the year from discontinued operations	-	525	-	(306)
	(k)	**Profit for the year**	**8,950**	**53,045**	**103,332**	**106,108**
		Attributable to:				
	(l)	Owners of the Parent	2,906	42,569	78,780	82,681
	(m)	Non-controlling interests	6,044	10,476	24,552	23,427
		Profit for the year	**8,950**	**53,045**	**103,332**	**106,108**
2		**Earnings per share based on 1(l) above:-**				
		Basic (based on 2010: 363,001,053 [2009: 363,001,053] ordinary shares)				
		Earnings per share attributable to Owners of the Parent				
		Profit from continuing operations	0.80 sen	11.59 sen	21.70 sen	22.86 sen
		Profit/(loss) from discontinued operations	N/A	0.14 sen	N/A	(0.08) sen
		Profit for the year	0.80 sen	11.73 sen	21.70 sen	22.78 sen

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	RM'000	RM'000	RM'000
Profit for the year	8,950	53,045	103,332	106,108
Foreign currency translation differences for foreign operations	2,134	(1,284)	(4,790)	(939)
Fair value changes of available-for-sale financial assets	1	-	-	-
Other comprehensive income for the year, net of tax	2,135	(1,284)	(4,790)	(939)
Total comprehensive income for the year	11,085	51,761	98,542	105,169
Attributable to:				
Owners of the Parent	4,465	41,472	75,219	81,929
Non-controlling interests	6,620	10,289	23,323	23,240
Total comprehensive income for the year	11,085	51,761	98,542	105,169

The condensed Consolidated Income Statement and Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		As at current financial year end	**As at preceding financial year end**
		31/12/2010	**31/12/2009**
		RM'000	RM'000
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	88,434	92,646
	Land held for property development	20,247	53,431
	Prepaid land lease payments	3,673	3,760
	Intangible assets	36,516	35,361
	Financial assets available-for-sale	272	771
	Deferred tax assets	5,471	2,936
		154,613	188,905
2	Current assets		
	Property development costs	70,138	38,134
	Inventories	5,302	4,190
	Trade and other receivables	473,624	354,691
	Financial assets available-for-sale	-	20
	Short term deposits*	191,061	244,514
	Cash and bank balances*	93,815	60,057
		833,940	701,606
	Total assets	**988,553**	**890,511**

FABER GROUP BERHAD
(5067-M)
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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

		Unaudited	Audited
		As at current financial year end	**As at preceding financial year end**
		31/12/2010	**31/12/2009**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent		
	Share capital	363,001	363,001
	Share premium	115,985	115,985
	Other reserves	(4,336)	(775)
	Accumulated losses	(25,775)	(89,045)
		448,875	389,166
4	Non-controlling interests	67,045	67,186
	Total equity	515,920	456,352
5	Non-current liabilities		
	Retirement benefit obligations	3,959	3,539
	Provisions	643	635
	Borrowings	161,172	177,504
	Deferred tax liabilities	795	1,658
		166,569	183,336
6	Current liabilities		
	Retirement benefit obligations	597	597
	Provisions	-	30
	Borrowings	5,963	1,954
	Trade and other payables	292,440	240,424
	Tax payable	7,064	7,818
		306,064	250,823
	Total liabilities	472,633	434,159
	Total equity and liabilities	**988,553**	**890,511**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.24**	**1.07**

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

* Cash, bank balances and short term deposits
Included in the cash, bank balances and short term deposits of the Group is RM51,566,000 (2009 : RM35,080,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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FABER GROUP BERHAD
(5067-M)
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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Twelve months to 31/12/2010	Audited Twelve months to 31/12/2009
		RM'000	RM'000
Cash flows from operating activities			
Cash receipts from customers		756,629	633,283
Cash payments to suppliers		(437,738)	(319,493)
Cash payments to employees and for expenses		(250,607)	(206,612)
Cash generated from operations		68,284	107,178
Interest paid		(6,678)	(6,724)
Income tax paid		(23,535)	(35,479)
Net cash generated from discontinued operations		-	281
Net cash flow generated from operating activities		38,071	65,256
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		17	534
Proceeds from disposal of financial assets available-for-sale		21	-
Interest received		7,589	5,584
Dividend received		-	34
Purchase of land held for property development		-	(17,837)
Purchase of property, plant and equipment		(16,481)	(19,623)
Purchase of property, plant and equipment, representing net cash used in discontinued operations		-	(19)
Payment of intangible assets		-	(129)
Cash and cash equivalents disposed net of cash received from disposal of a subsidiary		-	(609)
Capital distribution from financial assets available-for-sale		785	-
Net cash flow used in investing activities		(8,069)	(32,065)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares to non-controlling interests		1,844	-
Repayment of Balance Sum owing to Jeram Bintang Sdn Bhd ("JBSB")		(7,806)	(9,980)
Repayment of hire purchase obligations		(120)	(243)
Partial repayment of Redeemable Secured Loan Stock ("RSLS")		(6,000)	-
Drawdown of other secured bank loans		2,340	417
Dividend paid		(16,335)	(10,890)
Dividend paid to non-controlling shareholders of subsidiaries		(23,131)	(16,379)
Preference dividend paid to non-controlling shareholders of a subsidiary		-	(1,792)
Proceeds from capital reduction of financial assets available-for-sale		-	400
Net cash flow used in financing activities		(49,208)	(38,467)
Net decrease in cash and cash equivalents		**(19,206)**	**(5,276)**
Net foreign exchange difference		(489)	(2,181)
Cash and cash equivalents as at beginning of financial year		304,571	312,028
Cash and cash equivalents as at end of financial year	**(a)**	**284,876**	**304,571**

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

	31/12/2010	31/12/2009
Short term deposits	191,061	244,514
Cash and bank balances	93,815	60,057
	284,876	**304,571**

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Note	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the parent				→		
			← Non-distributable	→				
Twelve months to 31 December 2010 (unaudited)								
Balance as at 1 January 2010 (as previously stated)		363,001	115,985	(775)	(89,045)	389,166	67,186	456,352
Effects of adopting FRS 139	1(a)(i)				825	825	-	825
Balance as at 1 January 2010 (restated)		363,001	115,985	(775)	(88,220)	389,991	67,186	457,177
Total comprehensive income/(expense) for the period		-	-	(3,561)	78,780	75,219	23,323	98,542
Dividends		-	-	-	(16,335)	(16,335)	-	(16,335)
Issue of shares by subsidiary to non-controlling interests		-	-	-	-	-	1,844	1,844
Dividend paid to non-controlling shareholders of subsidiary companies		-	-	-	-	-	(25,308)	(25,308)
Balance as at 31 December 2010		363,001	115,985	(4,336)	(25,775)	448,875	67,045	515,920
Twelve months to 31 December 2009 (audited)								
Balance as at 1 January 2009		363,001	115,985	(302)	(160,557)	318,127	59,066	377,193
Total comprehensive income for the period		-	-	(752)	82,681	81,929	23,240	105,169
Issue of shares by subsidiary to non-controlling interest		-	-	-	-	-	139	139
Conversion of preference shares in a subsidiary		-	-	-	-	-	1,120	1,120
Dividend		-	-	-	(10,890)	(10,890)	-	(10,890)
Dividend paid to non-controlling shareholders of subsidiary companies		-	-	-	-	-	(16,379)	(16,379)
Transfer to statutory reserve fund				279	(279)	-	-	-
Balance as at 31 December 2009		363,001	115,985	(775)	(89,045)	389,166	67,186	456,352

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 2009.

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 2009.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective 1 January 2010 as disclosed below:

FRS 7: Financial Instruments: Disclosure
FRS 8: Operating Segments
FRS 101 (Revised): Presentation of Financial Statements
FRS 123 (Revised): Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

(a) FRS 139: Financial Instruments: Recognition and Measurement

(i) <u>Accounting policies</u>

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies as follows:

(aa) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, financial assets held-to-maturity, loans and receivables or financial assets available-for-sale.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss
Financial assets classified as held for trading are categorised as financial assets at fair value through profit or loss. Financial assets are held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income.

Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to profit or loss for the year.

Financial assets held-to-maturity
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the expressed intention and ability to hold to maturity.

Investments that are intended to be held-to-maturity are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT'D)

1. Accounting policies and methods of computation (cont'd)

(a) FRS 139: Financial Instruments: Recognition and Measurement (cont'd)

(i) Accounting policies (cont'd)

Financial assets available-for-sale
Financial assets available-for-sale are non-derivative financial assets that are not classified as fair value through profit or loss, held-to-maturity or loans and receivables. After initial recognition, financial assets available-for-sale are measured at fair value with gains or losses being recognised in a reserve until the investment is sold or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(bb) Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the effective interest method. Financial liabilities at fair value are held for trading if the financial liabilities are incurred with the intention of repurchasing them in the near term or derivative liability unless it forms part of a designated and effective hedging relationship.

Derecognition of Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(ii) Financial impact

In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from the change in accounting policies and remeasuring the financial instruments at the beginning of the financial period are recognised as adjustments to the opening balance of retained earnings as follows, whilst adjustment to comparatives are not required:-

	Note	**Retained earnings**
		RM'000
At 1 January 2010, as previously stated		(89,045)
Adjustments arising from adoption of FRS 139:		
- Fair value of financial liabilities classified as other financial liabilities.	(aa)	825
At 1 January 2010, as restated		(88,220)

(aa) Redeemable preference shares ("RPS")

RPS are recorded at the amount of proceeds received net of transaction costs. The RPS holders are entitled to fixed non-cumulative preferential dividends at a rate of 5% per annum. Following the adoption of FRS 139, the fair value of the RPS is remeasured based on the market rate of interest for an instrument with a similar credit rating at inception.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT'D)

1. **Accounting policies and methods of computation (cont'd)**

(b) FRS 8: Operating Segments

As of 1 January 2010, the Group determines and presents operating segments based on information that is internally provided to the Board of Directors, who are the Group's chief operating decision makers. This change in the accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

(c) FRS 101 (revised): Presentation of Financial Statements

Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the consolidated statement of comprehensive income.

Comparative information has been re-presented in conformity with the revised standard too.

2. **Audit report in respect of the 2009 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2009 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 2010 save for the repayment of RM6.0 million of the outstanding RSLS.

7. **Dividend**

A final dividend of 6%, less 25% tax, on ordinary shares of RM1.00 each was paid on 23 June 2010 in respect of the previous financial year, amounting to RM16,335,047 based on the issued and paid up share capital of the Company as at book closure date of 8 June 2010.

The Directors recommend the payment of a final dividend of 8% less 25% taxation on 363,001,053 ordinary shares, amounting to a dividend payable of RM21,780,063 (6.00 sen net per ordinary share) in respect of the current financial year.

8. **Operating Segments**

Operating Segment information for the current financial year to 31 December 2010 is as follows:

By operating segment	**Integrated Facilities Management**					
	Concession	**Non-concession**	**Properties**	**Others**	**Elimination**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Continuing Operations						
Revenue						
External sales	543,243	276,532	69,071	-	-	**888,846**
Inter-segment sales	-	-	-	109,313	(109,313)	**-**
Total Revenue	543,243	276,532	69,071	109,313	(109,313)	**888,846**
Results						
Segment results	80,798	56,296	15,419	91,305	(108,042)	**135,776**
Finance costs	(179)	(693)	-	(6,223)	479	**(6,616)**
Profit before income tax	80,619	55,603	15,419	85,082	(107,563)	**129,160**
Income tax	(19,650)	(1,393)	(4,682)	(16,727)	16,624	**(25,828)**
Profit for the year	60,969	54,210	10,737	68,355	(90,939)	**103,332**
Attributable to:						
Owners of the Parent	53,382	54,509	4,906	68,355	(102,372)	**78,780**
Non-controlling interests	7,587	(299)	5,831	-	11,433	**24,552**
	60,969	54,210	10,737	68,355	(90,939)	**103,332**

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 2010 to the date of this announcement which would substantially affect the financial results of the Group for the financial year ended 31 December 2010 that have not been reflected in the condensed financial statements.

10. **Changes in the composition of the Group**

There were no 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.

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 2009 except as disclosed below:

Description of contingent liabilities	RM'000
a) Decrease in claim for alleged wrongful termination of service agreement following an order granted by the Court that all proceedings in BNoble Sdn Bhd vs. Cermin Cahaya Sdn Bhd and Faber Medi-Serve Sdn Bhd in Kuala Lumpur High Court Civil Suit No: S6-22-215-2008 be stayed.	7,320
b) Decrease in claim for alleged wrongful termination employment contract in Persatuan Kebangsaan Pekerja-Pekerja Hotel, Bar & Restoran Semenanjung Malaysia ("Union") vs. Hotel Merlin Kuala Lumpur (M) Sdn Bhd, FGB, Kuala Reman Estates Berhad (KLHC R1-25-37-96) ("FGB and others") wherein the Court of Appeal dismissed the Union's appeal and awarded cost to FGB and others amounting RM3,000.00.	2,132

12. **Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	14,562

13. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	14,115	15,202	29,706	35,949
- Foreign tax	-	119	-	119
(Over)/under provision in prior years				
- Malaysian income tax	(478)	(591)	(478)	178
- Foreign tax	-	(65)	-	(65)
Deferred tax				
- Relating to origination and reversal of temporary difference	(3,379)	(1,382)	(3,400)	(1,369)
- Under provision in prior years	-	17	-	17
	10,258	**13,300**	**25,828**	**34,829**

The effective tax rate of the Group for the current year is lower than the statutory tax rate due to tax exempt profit contribution from a major foreign subsidiary which operates in a tax exempt country.

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

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

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

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

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

There are no investments in quoted securities in the current year

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 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.

16. **Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

(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) On 13 October 2009, Fraser's Hill Merlin Hotel Sdn Bhd ("FHMH"), 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 FHMH is to rationalise and streamline FGB Group's structure.

The MVL of FHMH has yet to be completed.

(d) On 7 October 2010, Mutiara Unik Sdn Bhd ("MUSB"), a wholly-owned subsidiary of Faber Development 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 MUSB is to rationalise and streamline FGB Group's structure.

The MVL of MUSB has yet to be completed.

(e) On 4 November 2010, Faber Facilities Sdn Bhd ("FFSB"), a wholly owned subsidiary of FGB had entered into a conditional Share Purchase Agreement ("SPA") with Singa Real Estates Ltd ("SREL") and Faber Star Facilities Management Ltd ("FSFML").

In accordance with the terms and conditions of the SPA, SREL has agreed with FFSB to sell the following 4,90,000 (Four Hundred and Ninety Thousand) equity shares of Rs.10/- (Rupees Ten) each, representing 49% of the total issued, subscribed and paid-up equity share capital of FSFML ("SREL Shares") which are held by SREL and its nominees to FFSB or to any person nominated by FFSB for a purchase price of Rs.1,00,00,000/- (Rupees One Crore) (equivalent to approximately RM699,000/-):-

Name of Shareholder	Number of Shares Held	Percentage of Shareholding
SREL	4,89,995	48.9995
Mr. Rajat Biswas	1	0.0001
Mr. Pratap Singh	1	0.0001
Mr. Naresh Gupta	1	0.0001
Mr. Mohd Nasir	1	0.0001
Ms. Reetu Goel	1	0.0001
Total	**4,90,000**	**49**

The salient terms of the SPA are as follows:-

(i) the obligation of FFSB to purchase the SREL Shares from SREL shall come into effect only upon internal corporate approvals of SREL and FFSB, permission of the regulatory authorities in Malaysia (if any) and all governmental/regulatory approvals/permissions, if any, being obtained as may be necessary, for purchase of SREL Shares by FFSB, on the terms and subject to the conditions contained in the SPA ("Conditions Precedent");

16. **Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

(ii) in the event the above-mentioned Conditions Precedent are not fully complied with to the satisfaction of FFSB within 60 days from the date of the execution of the SPA, or within such extended period as may be agreed to by FFSB and SREL in writing, FFSB shall be entitled (but not obligated) to forthwith terminate the SPA without any liability whatsoever;

(iii) forthwith upon receipt of all approvals/permissions, SREL shall notify FFSB of the same, and shall furnish all information and documents as may be required by FFSB evidencing such completion. In the event FFSB is satisfied that the Conditions Precedent have been duly completed, it shall so inform SREL in writing. FFSB and SREL shall then proceed to complete the transaction of the sale and purchase of SREL Shares ("Closing") in the manner provided in the SPA. The date on which Closing takes place shall be referred to as the Closing Date.

FFSB and/or its nominees shall credit the designated bank account of SREL with the consideration for the purchase of the SREL Shares. FFSB and SREL shall assist and cooperate with each other to complete all corporate and regulatory formalities to fully effect the transfer of the SREL Shares.

17. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 2010 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						
Preference Shares	-	6,907	6,907	-	-	-
RSLS	154,145	-	154,145	-	-	-
Other borrowings						
Domestic – Bank	120	-	120	2,090	-	2,090
Foreign – Bank	-	-	-	2,087	-	2,087
Amount owing to corporate shareholder	-		-	-	1,786	1,786
TOTAL	154,265	6,907	161,172	4,177	1,786	5,963

* 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. **Derivatives**

There are no derivatives as at the date of this announcement.

19. **Breakdown of realised and unrealised profits or losses**

	As at current financial year end **31/12/2010**	As at immediate preceeding quarter end **30/09/2010**
	RM'000	RM'000
Total accumulated losses of the Group and its subsidiaries:		
- Realised	(239,012)	(243,380)
- Unrealised	(1,130)	(3,044)
	(240,142)	(246,424)
Less : Consolidation adjustments	214,367	217,743
Total group accumulated losses as per consolidated financial statements	(25,775)	(28,681)

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) **UEM Genisys Sdn Bhd (in liquidation) ("UEM Genisys") vs. Road Builder (M) Sdn Bhd ("Road Builder") and Faber Hotels Holdings Sdn Bhd ("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 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, for the balance outstanding sum of RM2,142,229.24 ("the Disputed 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 to claim an indemnity from the Third Party for the Disputed Sum. The grounds were as pleaded in its statement of claim, i.e. 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 which was subsequently amended and the Third Party in turn served its Defence on Road Builder. Parties prepared a list of documents to be exchanged and 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, the Plaintiff was issued with a notice to show cause to appear before the Judge. On 17 November 2008, the Judge directed that the matter be transferred from the Commercial Division to the Civil Division under suit no. S6-22-1085-2008 and fixed for further mention on 24 September 2010 for Plaintiff to update on the Federal Court decision, of which decision was to uphold the winding–up of the plaintiff and that the liquidator may proceed with this action. The matter is now fixed for Case Management on 15 April 2011.

(ii) **Kuala Lumpur High Court Suit No: D1-22-447-2008 (Previndran Sathurgasinghe trading under Zerin 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, Faber Labuan Sdn Bhd.

FGB's solicitors, Messrs Cheang & Ariff, had entered appearance on its behalf on 29 April 2008. FGB had 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 seeked 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 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 fixed 18 March 2010 for further Case Management for parties to finalise Bundle of Documents, Statements of Agreed Facts and Agreed Main Issues. On 18 March 2010, the Court vacated the Case Management and instructed parties to explore on the possibility of out of Court settlement and as alternative also suggested parties to proceed the matter for mediation instead of full trial. On 4 May

19. **Material litigation (cont'd)**

2010, parties attended Court in person to inform the Court that there is no out of court settlement and have no intention to proceed with mediation. The Court then fixed for final Case Management on 1 September 2010 and fixed the case for trial on 13, 14 and 15 October 2010. The Parties closed their case on 14 October 2010 and the Court directed parties to file written submission by 22 October 2010. The High Court on 29 October 2010 delivered its Oral decision by dismissing the Plaintiff Case with cost to us as the Defendant and allowed partly our Counterclaim against the Plaintiff. The Plaintiff through their solicitors has filed a Notice of Discontinuance as was informed by our solicitors on 28 January 2011.

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

	Current quarter	Immediate preceding quarter	Variance	Variance
	31/12/2010	**30/9/2010**		
	RM'000	RM'000	RM'000	%
Revenue:				
Integrated Facilities Management ("IFM")				
Concession	149,662	135,871	13,791	10.2
Non-concession	17,532	85,180	(67,648)	(79.4)
Property	36,755	9,643	27,112	>100.0
Group	**203,949**	**230,694**	**(26,745)**	**(11.6)**
Profit Before Income Tax:				
Integrated Facilities Management				
Concession	18,841	24,090	(5,249)	(21.8)
Non-concession	(5,546)	24,665	(30,211)	>(100.0)
Property	12,802	1,563	11,239	>100.0
Others/Elimination	(6,889)	(8,678)	1,789	20.6
Group	**19,208**	**41,640**	**(22,432)**	**(53.9)**

The Group's revenue for the current quarter of RM203.9 million was 11.6% or RM26.7 million lower than the preceding quarter of RM230.7 million. The lower revenue for the IFM Non-concession in the current quarter was mainly due to lower work orders on the IFM Infrastructure maintenance project in UAE. The lower revenue from IFM Non-concession was mitigated by higher revenue from both the IFM Concession and Property Division. IFM Concession recorded higher revenue due to higher variation orders, higher bed occupancy rates and additional new facilities at the government hospitals within FGB's concession area. Property Division recorded higher revenue in the current quarter due to higher progress billings from the Armada Villa project in Taman Desa and Laman Rimbunan Phase 4 and 5 in Kepong which were launched in April and November 2010 respectively.

The Group recorded lower profit before tax ("PBT") for the current quarter of RM19.2 million, as compared to RM41.6 million in the preceding quarter. This is mainly due to additional costs recognized for the IFM non-concession in UAE whilst the IFM Concession recorded adverse non-recurring one-off items amounting to RM10.6 million.

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

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Twelve months to	Twelve months to	Variance	Variance
	31/12/2010	**31/12/2009**			**31/12/2010**	**31/12/2009**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue:								
Integrated Facilities Management ("IFM")								
Concession	149,662	146,601	3,061	2.1	543,243	511,353	31,890	6.2
Non-concession	17,532	108,110	(90,578)	(83.8)	276,532	171,441	105,091	61.3
Property	36,755	49,220	(12,465)	(25.3)	69,071	122,488	(53,417)	(43.6)
Group	**203,949**	**303,931**	**(99,982)**	**(32.9)**	**888,846**	**805,282**	**83,564**	**10.4**
Profit Before Income Tax:								
Integrated Facilities Management								
Concession	18,841	28,100	(9,259)	(33.0)	80,619	86,518	(5,899)	(6.8)
Non-concession	(5,546)	30,028	(35,574)	>(100.0)	55,603	41,353	14,250	34.5
Property	12,802	8,790	4,012	45.6	15,419	28,059	(12,640)	(45.0)
Others/Elimination	(6,889)	(1,098)	(5,791)	>(100.0)	(22,481)	(14,687)	(7,794)	(53.1)
Group	**19,208**	**65,820**	**(46,612)**	**(70.8)**	**129,160**	**141,243**	**(12,083)**	**(8.6)**

The Group's revenue for the current quarter of RM203.9 million was 32.9% or RM100.0 million lower than the corresponding quarter last year of RM303.9 million. IFM Non-concession recorded a negative variance of RM90.6 million mainly due to relatively lower work orders completed in the current quarter as compared to the preceding year corresponding quarter. The Property Division recorded lower revenue by RM12.5 million mainly due to the completion of Phase 3 Laman Rimbunan, Kepong in second quarter 2010 and most of the revenue for the project was already recognized in the preceding 2 years based on the percentage of work progress.

The Group's current quarter PBT of RM19.2 million was lower by RM46.6 million as compared to RM65.8 million in the corresponding quarter last year mainly due to flow through from lower revenue from IFM Non-concession. In addition, IFM Concession recorded lower profit due to the recognition of adverse one-off non-recurring items amounting to RM10.6 million.

For the year-to-date, the Group recorded revenue of RM888.8 million against RM805.3 million for the preceding year. The positive variance was mainly due to higher revenue from IFM Division by RM137.2 million. However, the Property Division recorded a negative variance of RM53.4 million.

The year-to-date PBT of RM129.2 million was lower by RM12.1 million against RM141.2 million in the preceding year. This is mainly due to lower profit from Property division of RM15.4 million (2009: RM28.1 million) as a result of lower revenue. The higher profit for the IFM Concession in financial year 2009 was due to favourable one-off non-recurring items totaling RM13.8 million.

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	18,471	67,318	128,257	142,765
Adjusted tax	(4,618)	(16,830)	(32,064)	(35,691)
NOPAT	**13,853**	**50,488**	**96,193**	**107,074**
Economic charge computation:				
Average invested capital	341,021	310,857	341,021	310,857
Weighted average cost of capital ("WACC")	12.2%	11.5%	12.2%	11.5%
Economic charge	**10,394**	**8,975**	**41,576**	**35,901**
EP	**3,459**	**41,513**	**54,617**	**71,173**

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 2010 against the corresponding quarter last year :

EP of RM3.5 million is lower by RM38.0 million as compared to the preceding year corresponding quarter of RM41.5 million mainly due to a lower EBIT and higher economic charge due to higher WACC.

(b) Performance of the current year ended 31 December 2010 against last year :

EP of RM54.6 million is lower by RM16.6 million as compared to the corresponding period last year of RM71.2 million mainly due to a lower EBIT and higher economic charge due to higher WACC.

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

The achievement on the headline KPI is as follows:

	December 2010 (12 months) Actual from operations	December 2010 (12 months) Target
Headline KPI		
Revenue Growth	12.6%[1]	**12 - 15%**
Return on Equity	19.5%[2]	**15 - 18%**

[1] FY2009 revenue excludes a non-recurring one-off item of RM16.0 million.

[2] For the computation of Return on Equity above, the profit attributable to Owners of the Parent for FY2010 excludes the negative impact of non-recurring one-off items of RM3.1 million.

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

The Group will endeavour to improve contribution from all business divisions and focus its effort on IFM business expansion. However, in view of the non renewal of IFM non-healthcare contracts in United Arab Emirates, the Group expects the revenue contribution from IFM Non-Concession in financial year 2011 to be lower than the financial year under review.

The Group expects higher contribution from Property Division following the launches of several projects in last quarter 2010 and first quarter 2011.

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	Twelve months to	Twelve months to
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit from continuing operations attributable to Owners of the Parent	2,906	42,044	78,780	82,987
Profit/(loss) from discontinued operations attributable to Owners of the Parent	-	525	-	(306)
Profit attributable to Owners of the Parent	2,906	42,569	78,780	82,681
Weighted average number of ordinary shares in issue ('000)	363,001	363,001	363,001	363,001
Basic earnings per share for:				
Profit from continuing operations	0.8 sen	11.59 sen	21.7 sen	22.86 sen
Profit/(loss) from discontinued operations	N/A	0.14 sen	N/A	(0.08) sen
Profit for the year	0.80 sen	11.73 sen	21.70 sen	22.78 sen

By Order of the Board
SURIATI ASHARI (LS0009029)
Secretary

Kuala Lumpur
25 February 2011