

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011.

THE FIGURES HAVE NOT BEEN AUDITED.

**I(A). CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	RM'000	RM'000	RM'000	RM'000
1 (a) <b>Revenue</b>	<b>198,188</b>	<b>183,987</b>	<b>198,188</b>	<b>183,987</b>
(b) Cost of sales	(149,417)	(135,635)	(149,417)	(135,635)
(c) Gross profit	48,771	48,352	48,771	48,352
(d) Other income	1,640	1,504	1,640	1,504
(e) Expenses	(23,191)	(24,340)	(23,191)	(24,340)
(f) Finance costs	(1,584)	(1,643)	(1,584)	(1,643)
(g) <b>Profit before tax</b>	<b>25,636</b>	<b>23,873</b>	<b>25,636</b>	<b>23,873</b>
(h) Income tax expense	(6,674)	(4,725)	(6,674)	(4,725)
(i) <b>Profit for the period</b>	<b>18,962</b>	<b>19,148</b>	<b>18,962</b>	<b>19,148</b>
Attributable to:				
(j) Owners of the parent	14,154	14,394	14,154	14,394
(k) Non-controlling interests	4,808	4,754	4,808	4,754
<b>Profit for the period</b>	<b>18,962</b>	<b>19,148</b>	<b>18,962</b>	<b>19,148</b>
2 <b>Earnings per share based on 1(j) above:-</b>				
Basic (based on 2010: 363,001,053 [2009: 363,001,053] ordinary shares)	3.90 sen	3.97 sen	3.90 sen	3.97 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

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

**(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	RM'000	RM'000	RM'000	RM'000
Profit for the period	18,962	19,148	18,962	19,148
Foreign currency translation	<u>(595)</u>	<u>(1,958)</u>	<u>(595)</u>	<u>(1,958)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>(595)</u>	<u>(1,958)</u>	<u>(595)</u>	<u>(1,958)</u>
<b>Total comprehensive income for the period</b>	<u>18,367</u>	<u>17,190</u>	<u>18,367</u>	<u>17,190</u>
<b>Attributable to:</b>				
Owners of the parent	13,653	12,944	13,653	12,944
Non-controlling interests	<u>4,714</u>	<u>4,246</u>	<u>4,714</u>	<u>4,246</u>
<b>Total comprehensive income for the period</b>	<u>18,367</u>	<u>17,190</u>	<u>18,367</u>	<u>17,190</u>

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

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

**II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>Unaudited</b>	<b>Audited</b>
		<b>As at end of current quarter</b>	<b>As at preceding financial year end</b>
		<b>31/3/2011</b>	<b>31/12/2010</b>
		RM'000	RM'000
<b>ASSETS</b>			
1	Non-current assets		
	Property, plant and equipment	86,158	88,434
	Land held for property development	20,254	20,247
	Prepaid land lease payments	4,810	3,673
	Intangible assets	36,887	36,515
	Other investments	272	272
	Deferred tax assets	5,674	5,471
		<b>154,055</b>	<b>154,612</b>
2	Current assets		
	Property development costs	72,945	70,138
	Inventories	4,717	5,302
	Trade and other receivables	502,834	474,637
	Short term deposits*	219,398	191,061
	Cash and bank balances*	99,103	93,815
		<b>898,997</b>	<b>834,953</b>
	<b>Total assets</b>	<b><u>1,053,052</u></b>	<b><u>989,565</u></b>

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

**II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter</b>	<b>As at preceding financial year end</b>
	<b>31/3/2011</b>	<b>31/12/2010</b>
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
3	Equity attributable to Owners of the Parent	
	Share capital	363,001
	Share premium	115,985
	Other reserves	(4,837)
	Accumulated losses	(11,621)
		462,528
4	Non-controlling interests	72,559
	Total equity	535,087
5	Non-current liabilities	
	Retirement benefit obligations	3,959
	Provisions	650
	Borrowings	156,497
	Deferred tax liabilities	697
		161,803
6	Current liabilities	
	Retirement benefit obligations	733
	Borrowings	20,107
	Trade and other payables	330,147
	Income tax payable	5,175
		356,162
	Total liabilities	517,965
	Total equity and liabilities	<b>1,053,052</b>
7	<b>Net assets per ordinary share attributable to Owners of the Parent (RM)</b>	<b>1.27</b>
		<b>1.24</b>

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

\* Cash, bank balances and short term deposits

Included in the cash, bank balances and short term deposits of the Group is RM48,737,000 (2009 : RM51,566,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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

**III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited Three months to 31/3/2011</b>	<b>Unaudited Three months to 31/3/2010</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	213,768	240,822
Cash payments to suppliers	(113,622)	(139,021)
Cash payments to employees and for expenses	(65,217)	(56,197)
Cash generated from operations	<u>34,929</u>	<u>45,604</u>
Interest paid	(3,122)	(3,227)
Income tax paid	(6,880)	(5,911)
<b>Net cash flow generated from operating activities</b>	<u>24,927</u>	<u>36,466</u>
<b>Cash flows from investing activities</b>		
Interest received	1,628	1,451
Purchase of property, plant and equipment	(4,741)	(2,844)
<b>Net cash flow used in investing activities</b>	<u>(3,113)</u>	<u>(1,393)</u>
<b>Cash flows from financing activities</b>		
Partial redemption of Redeemable Secured Loan Stock ("RSLs")	(3,000)	(3,000)
Drawdown of other secured bank loans	15,000	-
<b>Net cash flow generated from / (used in) financing activities</b>	<u>12,000</u>	<u>(3,000)</u>
<b>Net increase in cash and cash equivalents</b>	<b>33,814</b>	<b>32,073</b>
Net foreign exchange difference	(189)	63
Cash and cash equivalents as at beginning of financial period	284,876	304,571
<b>Cash and cash equivalents as at end of financial period</b>	<b>(a) 318,501</b>	<b>336,707</b>
<b>(a) Cash and Cash Equivalents comprise the following amounts:</b>		
Short term deposits	219,398	254,570
Cash and bank balances	99,103	82,137
	<u>318,501</u>	<u>336,707</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

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

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

	← Attributable to owners of the parent →						
	← Non-distributable →						
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
<b>Three months to 31 March 2011 (unaudited)</b>							
Balance as at 1 January 2011	363,001	115,985	(4,336)	(25,775)	448,875	67,045	515,920
Total comprehensive income/(expense) for the period	-	-	(501)	14,154	13,653	4,714	18,367
Issue of shares by subsidiary to non-controlling shareholder through capitalisation of loan	-	-	-	-	-	800	800
Balance as at 31 March 2011	363,001	115,985	(4,837)	(11,621)	462,528	72,559	535,087
<b>Three months to 31 March 2010 (unaudited)</b>							
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	-	-	-	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	-	-	(1,450)	14,394	12,944	4,246	17,190
Balance as at 31 March 2010	363,001	115,985	(2,225)	(73,826)	402,935	71,432	474,367

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 2010.

**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 2010.

**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") which are applicable to the Group with effect from 1 January 2011, as disclosed below:

FRS 1: First-time Adoption of Financial Reporting Standards  
FRS 3: Business Combinations (revised)  
FRS 127: Consolidated and Separate Financial Statements  
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters  
Amendments to FRS 1: Additional Exemptions for First-time Adopters  
Amendments to FRS 2: Share-based Payment  
Amendments to FRS 2: Share-based Payment - Group Cash-settled Share-based Payment Transactions  
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 7: Improving Disclosures about Financial Instruments  
Amendments to FRS 132: Financial Instruments : Presentation- Classification of Rights Issues  
Amendments to FRS 138: Intangible Assets  
Amendments to FRSs 'Improvements to FRSs (2010)'  
IC Interpretation 4: Determining Whether An Arrangement contains a Lease  
IC Interpretation 12: Service Concession Arrangements  
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation  
IC Interpretation 17: Distributions of Non-cash Assets to Owners  
IC Interpretation 18: Transfers of Assets from Customers  
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

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

**(a) FRS 127 Consolidated and Separate Financial Statements**

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The Group re-phrased its minority interests as non-controlling interests and remeasured the non-controlling interests prospectively in accordance with the transitional provisions of the revised FRS 127.

The adoption of the revised FRS 127 did not have an impact on the Group's consolidated financial statements.

**2. Audit report in respect of the 2010 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2010 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 cash flows 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.

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

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

**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 2011 save for the repayment of RM3.0 million of the outstanding RSLs.

**7. Dividend**

For the financial year ended 31 December 2010, the Directors proposed a final dividend of 8% less 25% taxation on 363,001,053 ordinary shares, amounting to a net dividend of RM21,780,063 (6.00 sen net per ordinary share) to be paid on 23 June 2011, for shareholders' approval at the forthcoming Annual General Meeting.

The Directors do not recommend the payment of any dividend for the current period ended 31 March 2011 (2010 : nil).

**8. Operating Segments**

Operating Segment information for the current financial period to 31 March 2011 is as follows:

By operating segment	Integrated Facilities Management					Group RM'000
	Concession RM'000	Non-concession RM'000	Properties RM'000	Others RM'000	Elimination RM'000	
<b>Revenue</b>						
External sales	136,038	40,857	21,293	-	-	<b>198,188</b>
Inter-segment sales	-	-	-	3,220	(3,220)	-
<b>Total Revenue</b>	<b>136,038</b>	<b>40,857</b>	<b>21,293</b>	<b>3,220</b>	<b>(3,220)</b>	<b>198,188</b>
<b>Results</b>						
Segment results	17,582	6,734	5,843	(1,061)	(1,878)	<b>27,220</b>
Finance costs	(27)	(179)	-	(1,505)	127	<b>(1,584)</b>
<b>Profit before tax</b>	<b>17,555</b>	<b>6,555</b>	<b>5,843</b>	<b>(2,566)</b>	<b>(1,751)</b>	<b>25,636</b>
Income tax expense	(4,389)	(742)	(1,380)	(163)	-	<b>(6,674)</b>
<b>Profit for the period</b>	<b>13,166</b>	<b>5,813</b>	<b>4,463</b>	<b>(2,729)</b>	<b>(1,751)</b>	<b>18,962</b>
<b>Attributable to:</b>						
Owners of the parent	11,261	5,872	2,672	(2,729)	(2,922)	<b>14,154</b>
Non-controlling interests	1,905	(59)	1,791	-	1,171	<b>4,808</b>
	<b>13,166</b>	<b>5,813</b>	<b>4,463</b>	<b>(2,729)</b>	<b>(1,751)</b>	<b>18,962</b>

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

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 31 March 2011 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2011 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 period including business combinations, acquisitions or disposals of subsidiaries and long term investments or restructuring or discontinued operations.

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

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

**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 2010.

**12. Capital commitments**

There are no material capital commitments except as disclosed below :

	RM'000
Approved and contracted for	10,051

**13. Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	6,975	4,727	6,975	4,727
Deferred tax				
- Relating to origination and reversal of temporary difference	(301)	(2)	(301)	(2)
	<u>6,674</u>	<u>4,725</u>	<u>6,674</u>	<u>4,725</u>

The effective tax rate of the Group 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 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**

There are no investments in quoted securities in the current period.

**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 company is currently awaiting clearance from statutory bodies i.e Employees Provident Fund, Social Security Organisation Malaysia, Inland Revenue Board of Malaysia ("IRB") and Royal Malaysian Customs Department.

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"), whereby 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.

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

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

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

(b) On 19 September 2008, 3 of the Company's wholly-owned subsidiaries which are dormant and, held directly or indirectly by FGB have been placed under MVL pursuant to Section 254(1)(b) of the Companies Act, 1965 as follows:-

- (i) Faber Haulage Sdn Bhd;
- (ii) Merlin Tower Hotel Sdn Bhd; and
- (iii) Mont Hill Sdn Bhd.

The 3 subsidiaries are currently awaiting tax clearance from the IRB.

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 is undertaken to rationalise and streamline the structure of FGB and its subsidiaries ("FGB Group")

The MVL of the above-mentioned companies 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. The company is in the midst of finalising its accounts for the final meeting which has been scheduled for 26 May 2011.

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 is undertaken to rationalise and streamline the structure of the FGB Group.

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. The company is currently awaiting tax clearance from the IRB.

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 is undertaken to rationalise and streamline the structure of the FGB Group.

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/-):-

<b>Name of Shareholder</b>	<b>Number of Shares Held</b>	<b>Percentage of Shareholding</b>
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
<b>Total</b>	<b>4,90,000</b>	<b>49</b>

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.

All the terms and conditions of the Share Purchase Agreement dated 4 November 2010 have been complied with on 20 April 2011. Pursuant to the completion, FFSB and/or its nominees have increased their shareholdings in FSFML from 51% to 100% and accordingly, FSFML has become a direct wholly-owned subsidiary of FFSB. In turn, FSFML is an indirect wholly-owned subsidiary of FGB.

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

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

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

(f) On 2 March 2011, the following companies which have been placed under MVL pursuant to Section 254(1)(b) of the Companies Act, 1965, have held their Final Meeting to conclude the MVL.:

- (i) Firstgain Holdings Sdn Bhd;
- (ii) Hasil Lintang Sdn Bhd; and
- (iii) Faber Facilities Solutions Sdn Bhd.

The Liquidator has subsequently lodged a Return relating to Final Meeting and the Liquidators' Account of Receipts and Payment with the Companies Commission of Malaysia and the Official Receiver on 2 March 2011.

(g) On 17 March 2011, FGB via its adviser, CIMB Investment Bank Berhad ("CIMB") released an announcement that the Company proposed to implement the following :

- (a) Proposed capital reduction by way of cancellation of RM0.75 of the existing par value of RM1.00 of each ordinary share in FGB pursuant to Section 64 of the Companies Act, 1965 to reduce the accumulated losses in FGB ("Proposed Par Value Reduction"). Based on the total issued and paid-up share capital of the Company as at 31 December 2010 of RM363.0 million, the credit arising from the reduction of the par value of FGB shares is about RM272.3 million, which will be utilised to set-off an equivalent amount of the accumulated losses of FGB;
- (b) Proposed share premium reduction by way of reduction of the entire balance of about RM116.0 million in the Company's share premium account pursuant to Section 64 of the Companies Act, 1965 to reduce the accumulated losses in FGB ("Proposed Share Premium Reduction"). The credit arising from the said reduction in share premium of the same amount will be used to set-off the accumulated losses of FGB ; and
- (c) Proposed amendment to the Memorandum of Association of FGB to facilitate the Proposed Par Value Reduction ("Proposed Amendment") as follows:

**Memorandum of Association - Clause 5**

<b>Existing</b>	<b>Proposed</b>
The authorised share capital of the Company is RM3,000,000,000 divided into 3,000,000,000 ordinary shares of RM1.00 each.	The authorised share capital of the Company is RM750,000,000 divided into 3,000,000,000 ordinary shares of RM0.25 each.

The Proposed Par Value Reduction and the Proposed Share Premium Reduction will reduce the accumulated losses of FGB thus allowing the Board of FGB to attain greater flexibility in determining FGB's future dividend payout, as cash dividends may only be paid out of the current year profits and/or retained earnings of the Company.

The Proposed Amendment is necessary to facilitate the Proposed Par Value Reduction.

The Proposals are subject to approvals being obtained from the following:

- (i) the shareholders of FGB, at an extraordinary general meeting to be convened on 18 May 2011;
- (ii) the sanction of the High Court of Malaya for the Proposed Par Value Reduction and the Proposed Share Premium Reduction pursuant to Section 64 of the Act;
- (iii) the consent of the relevant creditors/lenders of FGB, where applicable; and
- (iv) any other relevant authorities and/or parties, if required.

The Proposed Par Value Reduction and Proposed Amendment are inter-conditional. The Proposed Par Value Reduction and the Proposed Amendment are not inter-conditional with the Proposed Share Premium Reduction.

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

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

**17. Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2011 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Debt securities</u></b>						
Preference Shares	-	6,907	6,907	-	-	-
RSLs	149,590	-	149,590	-	-	-
<b><u>Other borrowings</u></b>						
Domestic – Bank	-	-	-	17,084	-	17,084
Foreign – Bank	-	-	-	2,037	-	2,037
Amount owing to corporate shareholder	-	-	-	-	986	986
<b>TOTAL</b>	<b>149,590</b>	<b>6,907</b>	<b>156,497</b>	<b>19,121</b>	<b>986</b>	<b>20,107</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.

**18. Derivatives**

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

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

	As at end of current quarter <b>31/03/2011</b> RM'000	As at immediate preceding financial year end <b>31/12/2010</b> RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(222,750)	(239,012)
- Unrealised	242	(1,130)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	(222,508)	(240,142)
Less : Consolidation adjustments	210,887	214,367
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total group accumulated losses as per consolidated financial statements	(11,621)	(25,775)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

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

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

**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) 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 the next Case Management on 11 July 2011 upon filing the bundle of document, statement of Agreed Facts together with the case summary and list of witnesses.

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

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

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

	Current quarter <b>31/3/2011</b> RM'000	Immediate preceding quarter <b>31/12/2010</b> RM'000	Variance RM'000	Variance %
<b>Revenue:</b>				
Integrated Facilities Management ("IFM")				
Concession	136,038	149,662	(13,624)	(9.1)
Non-concession	40,857	17,532	23,325	>100.0
Property	21,293	36,755	(15,462)	(42.1)
<b>Group</b>	<b>198,188</b>	<b>203,949</b>	<b>(5,761)</b>	<b>(2.8)</b>

**Profit Before Tax:**

Integrated Facilities Management				
Concession	17,555	18,841	(1,286)	(6.8)
Non-concession	6,555	(5,546)	12,101	>100.0
Property	5,843	12,802	(6,959)	(54.4)
Others/Elimination	(4,317)	(6,889)	2,572	37.3
<b>Group</b>	<b>25,636</b>	<b>19,208</b>	<b>6,428</b>	<b>33.5</b>

The Group's revenue for the current quarter of RM198.2 million was 2.8% or RM5.8 million lower than the preceding quarter of RM203.9 million. IFM Concession recorded higher revenue in the preceding quarter due to higher variation order. Property Division recorded lower revenue in the current quarter due to lower progress billings from Laman Rimbunan Phase 4 and 5 in Kepong which was launched in November 2010. The lower revenue from both IFM Concession and Property Division was mitigated by higher revenue from IFM Non-concession. IFM Non-concession recorded higher revenue in the current quarter mainly due to the IFM project in UAE.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM25.6 million, as compared to RM19.2 million in the preceding quarter. This is mainly due to flow through from higher revenue from IFM Non-concession in the current quarter as well as there has been additional costs recognized in the preceding quarter for the IFM Non-concession in UAE that resulted in losses for the IFM Non-concession.

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

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

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

	Current year quarter <b>31/3/2011</b> RM'000	Preceding year corresponding quarter <b>31/3/2010</b> RM'000	Variance  RM'000	Variance  %
<b>Revenue:</b>				
Integrated Facilities Management				
Concession	136,038	126,966	9,072	7.1
Non-concession	40,857	54,891	(14,034)	(25.6)
Property	21,293	2,130	19,163	>100.0
<b>Group</b>	<b>198,188</b>	<b>183,987</b>	<b>14,201</b>	<b>7.7</b>

**Profit Before Tax:**

Integrated Facilities Management				
Concession	17,555	17,031	524	3.1
Non-concession	6,555	11,916	(5,361)	(45.0)
Property	5,843	(1,744)	7,587	>100.0
Others/Elimination	(4,317)	(3,330)	(987)	(29.6)
<b>Group</b>	<b>25,636</b>	<b>23,873</b>	<b>1,763</b>	<b>7.4</b>

The Group's revenue for the current quarter of RM198.2 million was 7.70% or RM14.2 million higher than the corresponding quarter last year of RM184.0 million. IFM Concession recorded higher revenue by RM9.1 million 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 by RM19.2 million mainly due to the launch of new projects in second quarter and fourth quarter 2010. IFM Non-concession recorded a negative variance of RM14.0 million mainly due to relatively lower work orders completed in the current quarter as compared to the preceding year corresponding quarter.

The Group's current quarter PBT of RM25.6 million was higher by RM1.8 million as compared to RM23.9 million in the corresponding quarter last year mainly due to flow through from higher revenue from IFM Concession and Property Division as explained above.

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

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

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>Net operating profit after tax ("NOPAT") computation:</u></b>				
Earnings before interest and tax ("EBIT")	25,696	24,160	25,696	24,160
Adjusted tax	(6,424)	(6,040)	(6,424)	(6,040)
<b>NOPAT</b>	<b>19,272</b>	<b>18,120</b>	<b>19,272</b>	<b>18,120</b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	406,598	288,736	406,598	288,736
Weighted average cost of capital ("WACC")	11.8%	12.2%	11.8%	12.2%
<b>Economic charge</b>	<b>11,972</b>	<b>8,822</b>	<b>11,972</b>	<b>8,822</b>
<b>EP</b>	<b>7,300</b>	<b>9,298</b>	<b>7,300</b>	<b>9,298</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.

EP of RM7.3 million is lower by RM2.0 million as compared to the preceding year corresponding quarter of RM9.3 million mainly due to a higher economic charge despite higher EBIT.

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

The negative annualized revenue growth was mainly due to delay in commencement of the IFM Non-concession new projects. Property Division recorded a positive annualized revenue growth of 23.3%.

The achievement on the headline KPI is as follows:

	<b>March 2011</b>	<b>December 2011</b>
	<b>(3 months)</b>	<b>(12 months)</b>
	<b>Actual from operations</b>	<b>Target</b>
<b>Headline KPI</b>		
Revenue Growth	(10.8%) (annualized)	<b>12 - 15%</b>
Return on Equity	3.1%	<b>15 - 18%</b>

**25. 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 the current financial year to be lower.

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

**26. Profit forecast**

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

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

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit attributable to Owners of the Parent	14,154	14,394	14,154	14,394
Weighted average number of ordinary shares in issue ('000)	363,001	363,001	363,001	363,001
Basic earnings per share	3.90 sen	3.97 sen	3.90 sen	3.97 sen

**Kuala Lumpur**  
**6 May 2011**

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