FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
			30/9/2011	**30/9/2010**	**30/9/2011**	**30/9/2010**
			RM'000	RM'000	RM'000	RM'000
1	(a)	**Revenue**	**309,396**	**230,694**	**694,004**	**684,897**
	(b)	Cost of sales	(314,931)	(165,721)	(600,598)	(507,188)
	(c)	Gross profit	(5,535)	64,973	93,406	177,709
	(d)	Other income	2,445	2,178	6,547	5,800
	(e)	Expenses	(25,761)	(23,858)	(71,198)	(68,594)
	(f)	Finance costs	(1,560)	(1,653)	(4,748)	(4,963)
	(g)	**(Loss)/Profit before tax**	**(30,411)**	**41,640**	**24,007**	**109,952**
	(h)	Income tax expense	(8,107)	(5,887)	(23,029)	(15,570)
	(i)	**(Loss)/Profit for the period**	**(38,518)**	**35,753**	**978**	**94,382**
		Attributable to:				
	(j)	Owners of the parent	(26,869)	29,014	3,787	75,874
	(k)	Non-controlling interests	(11,649)	6,739	(2,809)	18,508
		(Loss)/Profit for the period	**(38,518)**	**35,753**	**978**	**94,382**
2		**(Loss)/Earnings per share based on 1(j) above:-**				
		Basic (based on 2011: 363,001,053 [2010: 363,001,053] ordinary shares)	(7.40) sen	7.99 sen	1.04 sen	20.90 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

I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2011	**30/9/2010**	**30/9/2011**	**30/9/2010**
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(38,518)	35,753	978	94,382
Foreign currency translation	(1,002)	(4,895)	(2,024)	(6,924)
Fair value changes of available-for-sale financial assets	-	2	-	(1)
Other comprehensive expense for the period, net of tax	(1,002)	(4,893)	(2,024)	(6,925)
Total comprehensive (expense)/income for the period	(39,520)	30,860	(1,046)	87,457
Attributable to:				
Owners of the parent	(27,574)	25,128	2,225	70,754
Non-controlling interests	(11,946)	5,732	(3,271)	16,703
Total comprehensive (expense)/income for the period	(39,520)	30,860	(1,046)	87,457

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
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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		As at end of current quarter	**As at preceding financial year end**
		30/9/2011	**31/12/2010**
		RM'000	RM'000
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	92,539	88,434
	Land held for property development	22,968	20,247
	Prepaid land lease payments	3,607	3,673
	Intangible assets	37,169	36,515
	Other investments	272	272
	Deferred tax assets	5,674	5,471
		162,229	154,612
2	Current assets		
	Property development costs	69,889	70,138
	Inventories	12,765	5,302
	Trade and other receivables	611,519	474,637
	Short term deposits*	226,574	191,061
	Cash and bank balances*	95,183	93,815
		1,015,930	834,953
	Total assets	**1,178,159**	**989,565**

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

		Unaudited	Audited
		As at end of current quarter	**As at preceding financial year end**
		30/9/2011	**31/12/2010**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent		
	Share capital	90,750	363,001
	Share premium	-	115,985
	Other reserves	(5,898)	(4,336)
	Retained profits/(Accumulated losses)	343,769	(25,775)
		428,621	448,875
4	Non-controlling interests	62,015	67,045
	Total equity	490,636	515,920
5	Non-current liabilities		
	Retirement benefit obligations	3,959	3,959
	Provisions	656	643
	Borrowings	6,907	161,172
	Deferred tax liabilities	680	795
		12,202	166,569
6	Current liabilities		
	Retirement benefit obligations	963	597
	Borrowings	146,512	5,963
	Trade and other payables	525,507	293,452
	Income tax payable	2,339	7,064
		675,321	307,076
	Total liabilities	687,523	473,645
	Total equity and liabilities	**1,178,159**	**989,565**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.18**	**1.24**

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 RM69,875,000 (2010 : RM51,566,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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FABER GROUP BERHAD
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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Nine months to 30/9/2011	Unaudited Nine months to 30/9/2010
		RM'000	RM'000
Cash flows from operating activities			
Cash receipts from customers		610,638	652,001
Cash payments to suppliers		(315,312)	(362,447)
Cash payments to employees and for expenses		(177,849)	(185,303)
Cash generated from operations		117,477	104,251
Interest paid		(6,237)	(6,647)
Income tax paid		(26,174)	(22,884)
Net cash flow generated from operating activities		85,066	74,720
Cash flows from investing activities			
Acquisition of non-controlling interest		(699)	-
Interest received		5,874	5,286
Purchase of property, plant and equipment		(18,919)	(14,210)
Capital distribution from financial assets available-for-sale		-	499
Net cash flow used in investing activities		(13,744)	(8,425)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares to non-controlling interests		842	-
Repayment of Balance Sum owing to Jeram Bintang Sdn Bhd ("JBSB")		-	(5,279)
Partial redemption of Redeemable Secured Loan Stock ("RSLS")		(9,000)	(6,000)
Repayment of other secured bank loans		(17,000)	-
Drawdown of other secured bank loans		15,000	-
Dividend paid		(21,780)	(16,335)
Dividend paid to non-controlling shareholders of subsidiaries		(3,401)	(22,631)
Net cash flow used in financing activities		(35,339)	(50,245)
Net increase in cash and cash equivalents		**35,983**	**16,050**
Net foreign exchange difference		898	(493)
Cash and cash equivalents as at beginning of financial period		284,876	304,571
Cash and cash equivalents as at end of financial period	**(a)**	**321,757**	**320,128**

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

Short term deposits	226,574	269,848
Cash and bank balances	95,183	50,280
	321,757	**320,128**

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
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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to owners of the parent						
		Non-distributable					
	Share capital	Share premium	Other reserves	Accumulated losses/Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months to 30 September 2011 (unaudited)							
Balance as at 1 January 2011	363,001	115,985	(4,336)	(25,775)	448,875	67,045	515,920
Total comprehensive (expense)/ income for the period	-	-	(1,562)	3,787	2,225	(3,271)	(1,046)
Reduction in share capital	(272,251)	-	-	272,251	-	-	-
Reduction in share premium	-	(115,985)	-	115,985	-	-	-
Issue of shares by subsidiary to non-controlling shareholder	-	-	-	-	-	842	842
Issue of shares by subsidiary to non-controlling shareholder through capitalisation of loan	-	-	-	-	-	800	800
Effect arising from acquisition of non-controlling interest in a subsidiary	-	-	-	(699)	(699)	-	(699)
Dividend	-	-	-	(21,780)	(21,780)	-	(21,780)
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	(3,401)	(3,401)
Balance as at 30 September 2011	90,750	-	(5,898)	343,769	428,621	62,015	490,636
Nine months to 30 September 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	-	-	-	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	-	-	(5,120)	75,874	70,754	16,703	87,457
Dividend	-	-	-	(16,335)	(16,335)	-	(16,335)
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	(22,631)	(22,631)
Balance as at 30 September 2010	363,001	115,985	(5,895)	(28,681)	444,410	61,258	505,668

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)
Amendments to 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.

As disclosed in note 10 (a), the Group acquired 49% interest in Faber Star Facilities Management Ltd from non-controlling interest, making it a wholly owned subsidiary of FGB. The impact arising from the change in the Group's ownership interest in this subsidiary is accounted for as an equity transaction in accordance with the revised FRS 127.

Other than the above, the adoption of the revised FRS 127 did not have an impact on the Group's consolidated financial statements.

(b) IC Interpretation 12 Service Concession Arrangements

This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The adoption of IC Interpretation 12 will likely have impact to the financial statement. However, the Group is exempted from disclosing the possible impact to the financial statements upon the initial application of this Interpretation.

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.

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

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.

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 30 September 2011 except for the following:

(a) Repayment of RM9.0 million of the outstanding RSLS.

(b) Reduction in share capital and share premium accounts

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

Existing	Proposed
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.

(Hereinafter collectively referred to as "Proposals")

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 certified true copy of the sealed order of the High Court of Malaya at Kuala Lumpur confirming the Par Value Reduction and Share Premium Reduction had been lodged with the Registrar of Companies of Malaysia on 19 September 2011. Accordingly, the Par Value Reduction and Share Premium Reduction had taken effect on the same day and the Proposals have therefore been completed.

7. Dividend

A final dividend of 8%, less 25% tax, on ordinary shares of RM1.00 each was paid on 23 June 2011 in respect of the previous financial year, amounting to RM21,780,063 based on the issued and paid up share capital of the Company as at book closure date of 8 June 2011.

The Directors do not recommend the payment of any interim dividend for the current period ended 30 September 2011 (2010 : nil).

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

8. Operating Segments

Operating Segment information for the current financial period to 30 September 2011 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**
Revenue						
External sales	411,003	177,280	105,721	-	-	**694,004**
Inter-segment sales	-	-	-	125,408	(125,408)	**-**
Total Revenue	411,003	177,280	105,721	125,408	(125,408)	**694,004**
Results						
Segment results	61,838	(57,746)	32,227	113,818	(121,382)	**28,755**
Finance costs	(82)	(544)	-	(4,504)	382	**(4,748)**
Profit/(Loss) before tax	61,756	(58,290)	32,227	109,314	(121,000)	**24,007**
Income tax expense	(13,183)	(1,371)	(7,801)	(7,694)	7,020	**(23,029)**
Profit/(Loss) for the period	48,573	(59,661)	24,426	101,620	(113,980)	**978**
Attributable to:						
Owners of the parent	42,782	(59,419)	16,956	101,620	(98,152)	**3,787**
Non-controlling interests	5,791	(242)	7,470	-	(15,828)	**(2,809)**
Profit/(Loss) for the period	48,573	(59,661)	24,426	101,620	(113,980)	**978**

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 30 September 2011 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2011 that have not been reflected in the condensed financial statements.

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

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 except for the following:

(a) 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**

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.

(b) On 20 June 2011 FFSB, a wholly-owned subsidiary of FGB had acquired the entire issued and paid-up share capital of General Field Sdn Bhd ("GFSB") for a total cash consideration of RM2.00.

GFSB is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 12 May 2011, with an authorised share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up. GFSB has not commenced operations since that date.

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	8,242

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

13. Income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2011	**30/9/2010**	**30/9/2011**	**30/9/2010**
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	8,128	5,892	23,347	15,591
Deferred tax				
- Relating to origination and reversal of temporary difference	(21)	(5)	(318)	(21)
	8,107	**5,887**	**23,029**	**15,570**

The effective tax rate of the Group in the preceding year corresponding period/quarter was lower than the statutory tax rate due to tax exempt profit contribution from a major foreign subsidiary operating 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 ("MVL") following the passing of a special resolution by its members at an Extraordinary General Meeting held on the same day. IQSB is currently awaiting clearance from the relevant statutory bodies i.e. Employees Provident Fund, Social Security Organisation, Inland Revenue Board ("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.

(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.

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 above-mentioned subsidiaries are currently awaiting tax clearance from the IRB and their MVL have yet to be completed.

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)

(c) 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.

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.

MUSB is currently awaiting tax clearance from the IRB and its MVL has yet to be completed.

17. Update on extension of Concession Agreement of Faber Medi-Serve Sdn Bhd

As per the terms of the Concession Agreement ("CA"), Faber Medi-Serve Sdn Bhd ("FMS") had on 26 October 2009 submitted a Letter of Intent to the Ministry of Health ("MOH") to extend the CA which will be expiring on 28 October 2011. In the interim, FMS had attended a series of Service Level Improvement Workshops conducted by the MOH between February 2010 and March 2010 formulating new proposed scopes, standards and performance monitoring for the new Hospital Support Services ("HSS") concession. In 2010, FMS continued its commitment in the HSS concession by continuing to invest substantial amounts of capital expenditure and human development so as to improve its service delivery. Subsequently, on 30 June 2010, FMS had submitted the financial proposal to the MOH in relation to the CA extension. FMS received a letter acknowledging receipt of the notice from Unit Kerjasama Awam Swasta ("UKAS") on 26 October 2010.

FMS, had received a letter dated 27 October 2011 from UKAS, which states that FMS shall continue the existing Concession for an interim period of six (6) months subject to the prevailing terms and conditions of the Concession commencing 28 October 2011, or until the signing of a new Concession Agreement for Privatisation of HSS with the MOH, whichever is the earlier. The six (6) months interim extension is not to be considered as binding on the Government of Malaysia.

18. Borrowings and debt securities

Details of Group borrowings and debt securities as at 30 September 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**
Debt securities						
Preference Shares	-	6,907	6,907	-	-	-
RSLS	-	-	-	143,606	-	143,606
Other borrowings						
Foreign – Bank	-	-	-	1,920	-	1,920
Amount owing to corporate shareholder	-	-	-	-	986	986
TOTAL	-	6,907	6,907	145,526	986	146,512

* 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. Derivatives

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

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

20. Breakdown of realised and unrealised profits or losses

	As at end of current quarter **30/9/2011** RM'000	As at preceding financial year end **31/12/2010** RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	118,191	(239,012)
- Unrealised	467	(1,130)
	118,658	(240,142)
Less : Consolidation adjustments	225,111	214,367
Total group retained profits/(accumulated losses) as per consolidated financial statements	343,769	(25,775)

21. 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 ("being the balance outstanding Sum"). Road Builder in turn filed a Third Party Notice against FHHSB ("the Third Party") to claim for indemnity for the Sum.

Road Builder alleges that the balance outstanding Sum is the responsibility of the Third Party's debt to UEM Genisys and Road Builder has issued a Third Party Notice that 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 in its Defence denies that there 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.

The matter is now fixed for the next Case Management on 14 March 2012 for parties to file the bundles of document, statement of Agreed Facts together with the case summary and list of witnesses.

(ii) **In the matter of Arbitration between BNoble Sdn Bhd ("Claimant") vs. Faber Medi-Serve Sdn Bhd ('FMS') & Cermin Cahaya Sdn Bhd ('CCSB') ("Respondent") for a claim sum of RM7.32 Million on a breach of Service Agreement dated 8th May 2003 for consultancy and advisory services**

On 19 October 2011, Messrs Shook Lin & Bok, the Respondent's appointed solicitors, has given notification that as at to-date, the Arbitral Tribunal could still not be properly constituted as the terms of reference of appointment of the Tribunal have yet to settle in addition to the Claimant's challenge on the appointment of Dato' Hj. Shaik Daud Md. Ismail as one (1) of the three (3) independent Arbitrators. In furtherance, the Claimant and the Respondent are also required to mutually agree to the aforesaid terms of reference prior to the convening of the Tribunal.

The Claimant's challenge on the appointment of Dato' Hj. Shaik Daud as an independent Arbitrator is based on his previous relationship as a Non-Executive Director of Projek Penyelenggaraan Lebuhraya Berhad ("Propel"). This is in view of Propel, FMS and CCSB are under the same group known as UEM Group Berhad Group of Companies ("UEM Group") and that FMS's current Managing Director, i.e. Tuan Syed A. Hamid Syed A. Rahman was the Managing Director of Propel during the tenure of Dato' Hj. Shaik Daud as a Non-Executive Director of Propel and that En. Tajul Azwa Bani Hashim (being the former FMS's Managing Director) also being transferred within UEM Group from FMS to Propel.

The tribunal requested the parties to make further submission on the said challenge of the appointment of Dato Hj.Shaik Daud by 18 November 2011, wherein the Solicitors for the Respondent requested extension till 21 November 2011.

The Claimant's claim is for an outstanding incentive sum of RM2.44 million for each of the 3 contract years which total up to RM7.32 million wherein the claim is disputed by the Respondent on the fact that the profit target was not achieved.

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

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

	Current quarter	Immediate preceding quarter	Variance	Variance
	30/9/2011	**30/6/2011**		
	RM'000	RM'000	RM'000	%
Revenue:				
Integrated Facilities Management ("IFM")				
Concession	137,784	137,181	603	0.4
Non-concession	122,206	14,217	107,989	>100.0
Property	49,406	35,022	14,384	41.1
Group	**309,396**	**186,420**	**122,976**	**66.0**
(Loss)/Profit Before Tax:				
Integrated Facilities Management				
Concession	24,787	19,414	5,373	27.7
Non-concession	(66,903)	2,058	(68,961)	>(100.0)
Property	14,633	11,751	2,882	24.5
Others/Elimination	(2,928)	(4,441)	1,513	34.1
Group	**(30,411)**	**28,782**	**(59,193)**	**>(100.0)**

The Group's revenue for the current quarter of RM309.4 million was 66.0% or RM123.0 million higher than the preceding quarter of RM186.4 million. The main reason was the higher revenue from IFM Non-concession projects in United Arab Emirates ('UAE'). The recognition of RM107.7 million revenue was on the work orders issued prior to the expiry of contracts (as announced by Faber on 12 January 2011) where works and documentation for invoicing were fully completed post expiry of the contracts. It is based on the Group's best judgement on Faber L.L.C's ("FLLC") entitlement to the revenue in accordance to respective contracts. The final amount of revenue would be determined upon the final acceptance by the principal, Western Region Municipality ("WRM"), with whom negotiation is currently ongoing.

In addition, Property Division recorded higher revenue by RM14.4 million due to higher progress billings from projects in Kepong and Taman Desa. IFM Concession recorded higher revenue by RM0.6 million mainly due to higher variation order.

The Group recorded a loss before tax ("LBT") of RM30.4 million in the current quarter. The negative variance of RM59.2 million as compared to profit before tax ("PBT") of RM28.8 million in the preceding quarter was mainly due to the recognition of costs amounting to RM44.5 million for works completed for the projects in UAE where the corresponding revenue was not recognised as it cannot be measured reliably. At expenses level, there was an amount of RM12.9 million being the amount of impairment loss due to Group's expectation of the significant delay in collection of the trade receivables from the principal, WRM. The Group has determined the amount of impairment loss as the difference between the assets carrying amount and the present value of the estimated future cashflow discounted at the financial assets original effective interest rate.

The Group is putting maximum efforts to recover the revenue, costs and receivables from UAE projects. The Group is in active discussions with the principal of the contracts, WRM.

The losses above were mitigated by higher profit from IFM Concession and Property Division by RM5.4 million and RM2.9 million respectively.

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

23. Review of performance for the current quarter and period

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Nine months to	Nine months to	Variance	Variance
	30/9/2011	**30/9/2010**			**30/9/2011**	**30/9/2010**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue:								
Integrated Facilities Management								
Concession	137,784	135,871	1,913	1.4	411,003	393,581	17,422	4.4
Non-concession	122,206	85,180	37,026	43.5	177,280	259,000	(81,720)	(31.6)
Property	49,406	9,643	39,763	>100.0	105,721	32,316	73,405	>100.0
Group	**309,396**	**230,694**	**78,702**	**34.1**	**694,004**	**684,897**	**9,107**	**1.3**
(Loss)/Profit Before Tax:								
Integrated Facilities Management								
Concession	24,787	24,090	697	2.9	61,756	61,778	(22)	(0.0)
Non-concession	(66,903)	24,665	(91,568)	>(100.0)	(58,290)	61,149	(119,439)	>(100.0)
Property	14,633	1,563	13,070	>100.0	32,227	2,617	29,610	>100.0
Others/Elimination	(2,928)	(8,678)	5,750	66.3	(11,686)	(15,592)	3,906	25.1
Group	**(30,411)**	**41,640**	**(72,051)**	**>(100.0)**	**24,007**	**109,952**	**(85,945)**	**(78.2)**

The Group's revenue for the current quarter of RM309.4 million was 34.1% or RM78.7 million higher than the corresponding quarter last year of RM230.7 million. The main reason was the higher revenue from IFM Non-concession projects in UAE. The recognition of RM107.7 million revenue was on the work orders issued prior to the expiry of contracts (as announced by Faber on 12 January 2011) where works and documentation for invoicing were fully completed post expiry of the contracts. It is based on the Group's best judgement on FLLC's entitlement to the revenue in accordance to respective contracts. The final amount of revenue would be determined upon the final acceptance by the principal, WRM, with whom negotiation is currently ongoing.

In addition, Property Division recorded higher revenue by RM39.8 million mainly due to the launch of new projects in fourth quarter 2010 and first quarter 2011. IFM Concession also recorded higher revenue by RM1.9 million due to higher variation orders and additional new facilities at the government hospitals within FGB's concession area.

For the year-to-date, the Group recorded revenue of RM694.0 million against RM684.9 million for the preceding year. Property Division and IFM Concession recorded a positive variance of RM73.4 million and RM17.4 million respectively. IFM Non-concession recorded negative variance of RM81.7 million as a result of the non-renewal of contracts for infrastructure and low cost houses maintenance in UAE.

The Group recorded a LBT of RM30.4 million in the current quarter as compared to PBT of RM41.6 million in the corresponding quarter last year and year-to-date PBT of RM24.0 million against PBT of RM110.0 million in the preceding year corresponding period. This was mainly due to the recognition of costs amounting to RM44.5 million for works completed for the projects in UAE where the corresponding revenue was not recognised as it cannot be measured reliably. At expenses level, there was an amount of RM12.9 million being the amount of impairment loss due to Group's expectation of the significant delay in collection of the trade receivables from the principal, WRM. The Group has determined the amount of impairment loss as the difference between the assets carrying amount and the present value of the estimated future cashflow discounted at the financial assets original effective interest rate.

The losses above were mitigated by profits from IFM Concession and Property Division.

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

24. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2011	**30/9/2010**	**30/9/2011**	**30/9/2010**
	RM'000	RM'000	RM'000	RM'000
Net operating (loss)/profit after tax computation:				
(Loss)/Earnings before interest and tax	(31,270)	41,236	22,811	109,787
Adjusted tax	7,817	(10,309)	(5,703)	(27,447)
Net operating (loss)/profit after tax	**(23,453)**	**30,927**	**17,108**	**82,340**
Economic charge computation:				
Average invested capital	374,756	350,152	374,756	350,152
Weighted average cost of capital ("WACC")	10.9%	12.2%	10.9%	12.2%
Economic charge	**10,206**	**10,664**	**30,617**	**31,993**
Economic (loss)/profit	**(33,659)**	**20,263**	**(13,509)**	**50,347**

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 30 September 2011 against the corresponding quarter last year :

The Group recorded an economic loss ("EL") of RM33.7 million as compared to the economic profit of RM20.3 million in the preceding year corresponding quarter. The negative variance of RM53.9 million was mainly due to a lower earnings before interest and tax ("EBIT").

(b) Performance of the current period ended 30 September 2011 against last year :

The Group recorded an EL of RM13.5 million as compared to the economic profit of RM50.3 million in the corresponding period last year. The negative variance of RM63.9 million was mainly due to a lower EBIT.

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

The achievement on the headline KPI is as follows:

	September 2011	**December 2011**
	(9 months)	**(12 months)**
	Actual from operations	**Target**
Headline KPI		
Revenue Growth	4.1% (annualized)	**12 - 15%**
Return on Equity	0.9%	**15 - 18%**

In view of the challenges with the UAE contracts, the Group expects not to achieve both the headline KPIs for the current financial year.

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

26. Prospect for the current financial year

The Group expects better revenue contribution from both the IFM Concession and Property Division for the current financial year. However, in view of the non-renewal of IFM non-healthcare contracts in UAE, the Group expects the revenue contribution from IFM Non-Concession in the current financial year to be lower.

The Group expects to record lower profit for the current financial year. This is as a result of the recognition of costs amounting to RM44.5 million for completed work orders for the projects in UAE and further expense of RM12.9 million being the amount of impairment loss due to Group's expectation of the significant delay in collection of the trade receivables from the principal, WRM, as explained in note 22 and 23 above.

27. Profit forecast

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

28. (Loss)/Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2011	**30/9/2010**	**30/9/2011**	**30/9/2010**
	RM'000	RM'000	RM'000	RM'000
Basic (loss)/earnings per share				
(Loss)/Profit attributable to Owners of the Parent	(26,869)	29,014	3,787	75,874
Weighted average number of ordinary shares in issue ('000)	363,001	363,001	363,001	363,001
Basic (loss)/earnings per share	(7.40) sen	7.99 sen	1.04 sen	20.90 sen

By Order of the Board
SURIATI ASHARI (LS0009029)
Secretary

Kuala Lumpur
30 November 2011