FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011.

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
			31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
			RM'000	RM'000	RM'000	RM'000
1	(a)	**Revenue**	**214,835**	**203,949**	**908,839**	**888,846**
	(b)	Cost of sales	(89,016)	(161,624)	(689,614)	(668,812)
	(c)	Gross profit	125,819	42,325	219,225	220,034
	(d)	Other income	3,075	3,487	9,622	9,287
	(e)	Expenses	(31,367)	(24,951)	(102,565)	(93,545)
	(f)	Finance costs	(1,650)	(1,653)	(6,398)	(6,616)
	(g)	**Profit before tax**	**95,877**	**19,208**	**119,884**	**129,160**
	(h)	Income tax expense	(25,470)	(10,258)	(48,499)	(25,828)
	(i)	**Profit for the period/year**	**70,407**	**8,950**	**71,385**	**103,332**
		Attributable to:				
	(j)	Owners of the parent	56,429	2,906	60,216	78,780
	(k)	Non-controlling interests	13,978	6,044	11,169	24,552
		Profit for the period/year	**70,407**	**8,950**	**71,385**	**103,332**
2		**Earnings per share based on 1(j) above:-**				
		Basic (based on 2011: 363,001,053 [2010: 363,001,053] ordinary shares)	15.55 sen	0.80 sen	16.59 sen	21.70 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
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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
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
	RM'000	RM'000	RM'000	RM'000
Profit for the year	70,407	8,950	71,385	103,332
Foreign currency translation	1,787	2,134	(237)	(4,790)
Fair value changes of available-for-sale financial assets	-	1	-	-
Other comprehensive income/(expense) for the period/year, net of tax	1,787	2,135	(237)	(4,790)
Total comprehensive income for the period/year	72,194	11,085	71,148	98,542
Attributable to:				
Owners of the parent	57,930	4,465	60,155	75,219
Non-controlling interests	14,264	6,620	10,993	23,323
Total comprehensive income for the period/year	72,194	11,085	71,148	98,542

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.

Remarks to Condensed Consolidated Income Statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(2,444)	(2,392)	(8,388)	(7,519)
Other income including investment income	(631)	(1,095)	(1,234)	(1,768)
Interest expense	1,650	1,653	6,398	6,616
Depreciation and amortization	5,257	5,524	22,555	22,410
(Reversal of impairment)/Impairment of receivables	(12,711)	1,375	(12,711)	1,375
Impairment of assets	6,846	-	6,846	-
Foreign exchange loss	5	-	185	1,465
Write down of inventories	672	-	672	-

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives, exceptional items and reversal of any provision for costs of restructuring.

FABER GROUP BERHAD
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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	**Audited**
		As at current financial year end	**As at preceding financial year end**
		31/12/2011	**31/12/2010**
		RM'000	RM'000
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	93,117	88,434
	Land held for property development	1,102	20,247
	Prepaid land lease payments	3,586	3,673
	Intangible assets	27,546	36,515
	Other investments	272	272
	Trade and other receivables	235,568	-
	Deferred tax assets	2,676	5,471
		363,867	154,612
2	Current assets		
	Property development costs	80,286	70,138
	Inventories	7,078	5,302
	Trade and other receivables	363,333	474,637
	Short term deposits*	282,091	191,061
	Cash and bank balances*	40,282	93,815
		773,070	834,953
	Total assets	**1,136,937**	**989,565**

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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**
		31/12/2011	**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	(4,397)	(4,336)
	Retained profits/(Accumulated losses)	400,198	(25,775)
		486,551	448,875
4	Non-controlling interests	74,962	67,045
	Total equity	561,513	515,920
5	Non-current liabilities		
	Retirement benefit obligations	4,038	3,959
	Provisions	99	643
	Borrowings	7,089	161,172
	Deferred tax liabilities	3,573	795
		14,799	166,569
6	Current liabilities		
	Retirement benefit obligations	832	597
	Borrowings	148,909	5,963
	Trade and other payables	402,073	293,452
	Income tax payable	8,811	7,064
		560,625	307,076
	Total liabilities	575,424	473,645
	Total equity and liabilities	**1,136,937**	**989,565**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.34**	**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 RM73,175,000 (2010 : RM51,566,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Twelve months to 31/12/2011	Audited Twelve months to 31/12/2010
		RM'000	RM'000
Cash flows from operating activities			
Cash receipts from customers		798,283	756,629
Cash payments to suppliers		(424,109)	(437,738)
Cash payments to employees and for expenses		(233,974)	(248,801)
Cash generated from operations		140,200	70,090
Interest paid		(6,455)	(6,678)
Income tax paid		(43,287)	(23,515)
Net cash flow generated from operating activities		90,458	39,897
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		27	50
Proceeds from disposal of land held for property development		-	3,100
Proceeds from disposal of financial assets - quoted investment		-	20
Acquisition of non-controlling interest		(699)	-
Interest received		8,463	7,519
Purchase of property, plant and equipment		(24,648)	(17,338)
Purchase of intangible assets		-	(76)
Capital distribution from financial assets - unquoted investment		-	785
Net cash flow used in investing activities		(16,857)	(5,940)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares to non-controlling interests		725	1,844
Repayment of Balance Sum owing to Jeram Bintang Sdn Bhd ("JBSB")		-	(7,806)
Partial redemption of Redeemable Secured Loan Stock ("RSLS")		(9,000)	(6,000)
Repayment of hire purchase obligations		(90)	(119)
Repayment of other secured bank loans		(17,000)	-
Drawdown of other secured bank loans		16,073	2,253
Dividend paid		(21,780)	(16,335)
Dividend paid to non-controlling shareholders of subsidiaries		(4,601)	(23,131)
Net cash flow used in financing activities		(35,673)	(49,294)
Net increase/(decrease) in cash and cash equivalents		**37,928**	**(15,337)**
Net foreign exchange difference		(431)	(4,358)
Cash and cash equivalents as at beginning of financial year		284,876	304,571
Cash and cash equivalents as at end of financial year	**(a)**	**322,373**	**284,876**

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

Short term deposits	282,091	191,061
Cash and bank balances	40,282	93,815
	322,373	**284,876**

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.

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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
Twelve months to 31 December 2011 (unaudited)							
Balance as at 1 January 2011	363,001	115,985	(4,336)	(25,775)	448,875	67,045	515,920
Total comprehensive income for the year	-	-	(61)	60,216	60,155	10,993	71,148
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	-	-	-	-	-	725	725
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	-	-	-	-	-	(4,601)	(4,601)
Balance as at 31 December 2011	90,750	-	(4,397)	400,198	486,551	74,962	561,513
Twelve months to 31 December 2010 (audited)							
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 year	-	-	(3,561)	78,780	75,219	23,323	98,542
Issue of shares by subsidiary to non-controlling interest	-	-	-	-	-	1,844	1,844
Dividend	-	-	-	(16,335)	(16,335)	-	(16,335)
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

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 did not have an impact to the financial statement.

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 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 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 recommend the payment of a final dividend of 8 sen less 25% taxation on 363,001,053 ordinary shares of RM0.25 each, amounting to a dividend payable of RM21,780,063 (6.00 sen net per ordinary share) in respect of the current financial year.

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

8. **Operating Segments**

Operating Segment information for the current financial year to 31 December 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	562,661	188,987	157,191	-	-	**908,839**
Inter-segment sales	-	-	-	186,088	(186,088)	**-**
Total Revenue	562,661	188,987	157,191	186,088	(186,088)	**908,839**
Results						
Segment results	105,193	(22,587)	48,626	156,783	(161,733)	**126,282**
Finance costs	(175)	(784)	-	(5,952)	513	**(6,398)**
Profit/(loss) before tax	105,018	(23,371)	48,626	150,831	(161,220)	**119,884**
Income tax expense	(33,993)	(1,942)	(11,872)	(7,712)	7,020	**(48,499)**
Profit/(loss) for the year	71,025	(25,313)	36,754	143,119	(154,200)	**71,385**
Attributable to:						
Owners of the parent	61,174	(21,727)	26,810	143,119	(149,160)	**60,216**
Non-controlling interests	9,851	(3,586)	9,944	-	(5,040)	**11,169**
Profit/(loss) for the year	71,025	(25,313)	36,754	143,119	(154,200)	**71,385**

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 2011 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 year 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	4,578

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

13. Income tax

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	21,119	15,829	44,466	31,420
- Foreign tax	271	42	271	42
Over provision in prior years				
- Malaysian income tax	(1,812)	(2,210)	(1,812)	(2,210)
- Foreign tax	-	(54)	-	(54)
Deferred tax				
- Relating to origination and reversal of temporary difference	1,360	(2,801)	1,042	(2,822)
- Under provision in prior years	4,532	(548)	4,532	(548)
	25,470	**10,258**	**48,499**	**25,828**

The effective tax rate of the Group is higher in the current year under review and lower in the preceding year as compared to the statutory tax rate due to a major foreign subsidiary operating in a tax exempt country.

14. 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.

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

14. 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.

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 Group.

Mont Hill Sdn Bhd had, on 20 January 2012, held its Final Meeting to conclude the MVL. The Liquidators had subsequently lodged a Return relating to the Final Meeting and the Liquidators' Account of Receipts and Payment with the Companies Commission of Malaysia and the Official Receiver respectively on 27 January 2012.

Faber Haulage Sdn Bhd and Merlin Tower Hotel Sdn Bhd are currently still awaiting tax clearance from the IRB and their MVL have yet to be completed.

(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 Group.

MUSB had, on 20 January 2012, held its Final Meeting to conclude the MVL. The Liquidators had subsequently lodged a Return relating to the Final Meeting and the Liquidators' Account of Receipts and Payment with the Companies Commission of Malaysia and the Official Receiver respectively on 27 January 2012.

(d) On 9 February 2012, Merlion Credit Corporation Berhad ("MCCB"), a wholly-owned subsidiary of FGB, had been placed under MVL pursuant to Section 254(1)(b) of the Companies Act, 1965.

MCCB was incorporated in Malaysia on 18 May 1973 and it has ceased operations in 1991. The authorised share capital of MCCB is RM6,000,000.00 comprising 6,000,000 ordinary shares of RM1.00 each of which all the shares have been issued and fully paid up.

MCCB had appointed 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, to act jointly and severally as Liquidators of MCCB for the purpose of the MVL.

The MVL is undertaken to rationalise and streamline the structure of the Group.

15. 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 submitted the Request for Proposal ("RFP") to UKAS on 3 October 2011. Subsequently, on 27 October 2011, UKAS issued a letter to FMS for an extension of the Concession Agreement for a six-month period effective from 28 October 2011, subject to the prevailing terms and conditions of the Concession Agreement. Through a letter dated 13 February 2012, FMS was requested by UKAS to submit the HSS Addendum No 1 to the RFP, detailing and clarifying on the technical and commercial proposals submitted earlier. FMS had complied to the request and submitted the HSS Addendum No 1 on 23 February 2012.

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

16. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 December 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	-	7,038	7,038	-	-	-
RSLS	-	-	-	145,053	-	145,053
Other borrowings						
Domestic – Bank	-	51	51	-	69	69
Foreign – Bank	-	-	-	2,801	-	2,801
Amount owing to corporate shareholder	-	-	-	-	986	986
TOTAL	-	7,089	7,089	147,854	1,055	148,909

* 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. The RSLS will fall due on 30 September 2012.

17. Derivatives

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

18. Breakdown of realised and unrealised profits or losses

	As at current financial year end	As at preceding financial year end
	31/12/2011	**31/12/2010**
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	176,776	(239,012)
- Unrealised	(5,424)	(1,130)
	171,352	(240,142)
Less : Consolidation adjustments	228,846	214,367
Total group retained profits/(accumulated losses) as per consolidated financial statements	400,198	(25,775)

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

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 ("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**

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 Respondents on the fact that the profit target was not achieved.

On 19 October 2011, 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 ("SDMI") as one of the three independent Arbitrators, based on SDMI's previous relationship as a Non-Executive Director of Projek Penyelenggaraan Lebuhraya Berhad ("Propel"). In furtherance, the Claimant and the Respondents are also required to agree to the terms of reference prior to the convening of the Tribunal.

On 4 January 2012, the Tribunal dismissed the Claimant's application for challenge on the appointment of SDMI as one of the three independent Arbitrators. On 31 January 2012, the Respondents filed the Statement of Defence relating to the Respondents' right to, inter alia, seek further and better particulars of the Statement of Claim and security for costs. On 14 February 2012, the Tribunal had allowed the Claimant's application for an extension of time to 29 February 2012 for the Claimant to respond to the Respondents' Application for Security for Costs and the Statement of Defence.

(iii) **Baynona Group ("Claimant") vs. Faber Limited Liability Company ("Faber LLC" or "1st Defendant") and Projek Penyelenggaraan Lebuhraya Berhad ("2nd Defendant")**

On 7 December 2011, the Claimant filed a Statement of Claim dated 28 November 2011 against the Defendants in relation to the projects at Madinat Zayed – Zone-1 awarded by Western Region Municipality, Emirate of Abu Dhabi for a net claim amount of AED35,053,763.77 (equivalent to approximately RM29,803,761.57). Propel confirmed that the balance outstanding to the Claimant is AED3,803,707.32 (equivalent to approximately RM3,234,026.07). The Claimant had requested the Abu Dhabi Court of First Instance, Commercial Circuit – Plenary's ("Abu Dhabi Court") consent to register the case and notify the Defendants with the nearest hearing and before judgment, amongst others, to appoint a panel of 3 experts.

On 19 December 2011, Faber LLC had filed a preliminary objection as to the jurisdiction of the Abu Dhabi Court and requested the Abu Dhabi Court to strike off Faber LLC from the Statement of Claim. On 10 January 2012, the Claimant had filed the memorandum in response to the pleadings. The Abu Dhabi Court had adjourned the case to 25 January 2012 for judgment, with liberty to the Defendants to file their response, which Faber LLC had done on 15 January 2012.

The Abu Dhabi Court had on 25 January 2012 dismissed the case as a result of Faber LLC's preliminary objection as to the jurisdiction of the Abu Dhabi Court. The case had been transferred to the Al Dhafra Court and no hearing date had been fixed for the case.

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

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

(iv) **Al Femah Contracting and Transporting Establishment ("Claimant") vs. Faber Limited Liability Company ("Faber LLC") and Projek Penyelenggaraan Lebuhraya Berhad ("Propel") ("Defendants")**

On 13 December 2011, the Claimant had filed a Summons and Statement of Claim dated 12 December 2011 against the Defendants in relation to the projects at Madinat Zayed – Zone-1 awarded by the Western Region Municipality, Emirate of Abu Dhabi, for a net claim amount of AED15,270,416.84 (equivalent to approximately RM13,100,796.02). Propel had confirmed that the balance outstanding is AED6,698,368.85 (equivalent to approximately RM5,746,664.60).

On 26 December 2011, the Al Dhafra Court had appointed an expert and the Claimant had requested to exclude Propel from the Summons and Statement of Claim. On 2 January 2012, Faber LLC requested to be excluded from the Summons and Statement of Claim and on the same day, the Al Dhafra Court had subsequently cancelled the case as the Claimant had failed to appear before the court. However, the Claimant had reinstated the case on 4 January 2012. Faber LLC had responded to the said summons on 16 January 2012 and the Al Dhafra Court decided to hold back the case for judgment.

At the first expert meeting on 5 February 2012, the expert directed the Claimant to produce and prove various invoices and work orders received in connection with the sub-contract work. During the expert meeting on 19 February 2012, the Claimant had filed a bundle of documents in connection with the sub-contract work. At the subsequent expert meeting on 26 February 2012, the panel of expert had scheduled the next expert meeting to 14 March 2012.

On 13 February 2012, Faber LLC had requested the Al Dhafra Court to reinstate Propel as a defendant to the proceedings. The Al Dhafra Court had adjourned the case to 20 February 2012 for the Claimant's reply and to pay the court fees. On 20 February 2012, the Claimant had paid the requisite court fee and on 27 February 2012, the Al Dhafra Court had reinstated Propel as a defendant and accordingly adjourned the case to 12 March 2012.

(v) **Sweet Home Technical Works Limited Liability Company ("Claimant") vs. Faber Limited Liability Company ("Faber LLC")**

On 12 January 2012, the Claimant filed a Statement of Claim dated 10 January 2012 against Faber LLC for the financial claim of AED13,119,213.49 (equivalent to approximately RM11,211,155.08), which Faber LLC is disputing.

The Claimant was a sub-contractor of Faber LLC for the contracts in relation to the project at Liwa and Madinat Zayed in the Emirate of Abu Dhabi ("Contracts"). The Contracts between Faber LLC and the Claimant had ended on 15 March 2011. There is still an outstanding amount due to the Claimant for works carried out prior to the end of the Contracts' period, which is under dispute pending the hearing of the case.

The Al Dhafra Court had fixed the hearing of the Statement of Claim on 27 February 2012. On 27 February 2012, the Al Dhafra Court had adjourned the case to 12 March 2012 to review the expert report and the documents submitted by all the parties.

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

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

	Current quarter	Immediate preceding quarter	Variance	Variance
	31/12/2011	**30/9/2011**		
	RM'000	RM'000	RM'000	%
Revenue:				
Integrated Facilities Management ("IFM")				
Concession	151,658	137,784	13,874	10.1
Non-concession	11,707	122,206	(110,499)	(90.4)
Property	51,470	49,406	2,064	4.2
Group	**214,835**	**309,396**	**(94,561)**	**(30.6)**
Profit/(Loss) Before Tax:				
Integrated Facilities Management				
Concession	43,262	24,787	18,475	74.5
Non-concession	34,919	(66,903)	101,822	>100.0
Property	16,399	14,633	1,766	12.1
Others/Elimination	1,297	(2,928)	4,225	>100.0
Group	**95,877**	**(30,411)**	**126,288**	**>100.0**

The Group's revenue for the current quarter of RM214.8 million was 30.6% or RM94.6 million lower than the preceding quarter of RM309.4 million. The main reason was minimal revenue recognition from IFM Non-concession projects in United Arab Emirates ('UAE') in the current quarter. In the preceding quarter, the Group recognised RM107.7 million revenue 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 judgment on Faber LLC 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.

The lower revenue from IFM Non-Concession was mitigated by higher revenue from IFM Concession and Property Division. IFM Concession recorded higher revenue by RM13.9 million mainly due to recognition of the remaining balance of variation orders for replacement hospitals namely Sungai Petani and Alor Setar upon signing of the Supplemental Agreement with the MOH. In addition, Property Division's higher revenue by RM2.1 million was due to higher progress billings from current on-going projects.

The Group recorded higher profit before tax ("PBT") of RM95.9 million, as compared to loss before tax ("LBT") of RM30.4 million in the preceding quarter. In the preceding quarter, IFM Non-concession recognised cost 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.

In the current quarter, there is a reversal of cost amounting to RM40.7 million in relation to the RM44.5 million costs recognised in the preceding quarter. The reversal of costs was made after taking into consideration the advice and opinion from Faber LLC's legal advisor and claim consultant in respect to Faber LLC's obligation on the sub-contractor's costs. IFM Non-Concession recognised an adverse non-recurring one-off item of RM6.9 million.

IFM Concession also recorded a positive variance of RM18.5 million mainly due to higher revenue as explained above and recognition of favourable non-recurring one-off items amounting to RM4.7 million.

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

21. Detailed analysis of the performance for the current quarter and year

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Twelve months to	Twelve months to	Variance	Variance
	31/12/2011	**31/12/2010**			**31/12/2011**	**31/12/2010**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue:								
Integrated Facilities Management								
Concession	151,658	149,662	1,996	1.3	562,661	543,243	19,418	3.6
Non-concession	11,707	17,532	(5,825)	(33.2)	188,987	276,532	(87,545)	(31.7)
Property	51,470	36,755	14,715	40.0	157,191	69,071	88,120	>100.0
Group	**214,835**	**203,949**	**10,886**	**5.3**	**908,839**	**888,846**	**19,993**	**2.2**
Profit/(Loss) Before Tax:								
Integrated Facilities Management								
Concession	43,262	18,841	24,421	>100.0	105,018	80,619	24,399	30.3
Non-concession	34,919	(5,546)	40,465	>100.0	(23,371)	55,603	(78,974)	>(100.0)
Property	16,399	12,802	3,597	28.1	48,626	15,419	33,207	>100.0
Others/Elimination	1,297	(6,889)	8,186	>100.0	(10,389)	(22,481)	12,092	53.8
Group	**95,877**	**19,208**	**76,669**	**>100.0**	**119,884**	**129,160**	**(9,276)**	**(7.2)**

The Group's revenue for the current quarter of RM214.8 million was 5.3% or RM10.9 million higher than the corresponding quarter last year of RM203.9 million and year-to-date revenue of RM908.8 million was 2.2% or RM20.0 million higher against RM888.8 million for the preceding year. This was mainly due to higher revenue from Property Division, following the launches of new projects in fourth quarter 2010 and first quarter 2011. In addition, IFM Concession recorded positive variance due to recognition of the remaining balance of variation orders for replacement hospitals namely Sungai Petani and Alor Setar upon signing of the Supplemental Agreement with the MOH.

However, IFM Non-concession recorded lower revenue as a result of the non-renewal of contracts for infrastructure and low cost houses maintenance in UAE.

The Group's PBT for the current quarter of RM95.9 million was higher by RM76.7 million as compared to RM19.2 million in the corresponding quarter last year. This was mainly due to the recognition of adverse non-recurring one-off items amounting to RM10.6 million by IFM Concession in the corresponding quarter last year. In addition, the IFM Concession also recognised favourable non-recurring one-off items amounting to RM4.7 million in the current quarter.

In the current quarter, there is a reversal of cost amounting to RM40.7 million in relation to the RM44.5 million costs recognised in the preceding quarter by IFM Non Concession. The reversal of costs was made after taking into consideration the advice and opinion from Faber LLC's legal advisor and claim consultant in respect to Faber LLC's obligation on the sub-contractor's costs. IFM Non-Concession recognised an adverse non-recurring one-off item of RM6.9 million.

For the year-to-date, the Group recorded a PBT of RM119.9 million against RM129.2 million for the preceding year. The lower PBT is as a result of lower revenue from IFM Non-concession due to the non-renewal of contracts for infrastructure and low cost houses maintenance in UAE. In addition, the Group recognised an impairment loss due to the expectation of 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. In addition, IFM Non-Concession recognised an adverse non-recurring one-off item of RM6.9 million.

The losses above were mitigated by profits from IFM Concession and Property Division. The higher profit for IFM Concession was mainly due to higher revenue as explained above and favourable non-recurring one-off items totaling to RM15.6 million.

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

22. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	95,084	18,471	117,895	128,257
Adjusted tax	(23,771)	(4,618)	(29,474)	(32,064)
NOPAT	**71,313**	**13,853**	**88,421**	**96,193**
Economic charge computation:				
Average invested capital	417,439	383,067	417,439	383,067
Weighted average cost of capital ("WACC")	12.2%	12.2%	12.2%	12.2%
Economic charge	**12,776**	**11,675**	**51,105**	**46,702**
EP	**58,537**	**2,178**	**37,316**	**49,491**

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 2011 against the corresponding quarter last year :

EP of RM58.5 million is higher by RM56.3 million as compared to the preceding year corresponding quarter of RM2.2 million was mainly due to a higher EBIT.

(b) Performance of the current year ended 31 December 2011 against last year :

EP of RM37.3 million is lower by RM12.2 million as compared to the corresponding period last year of RM49.5 million was mainly due to a lower EBIT.

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

The achievement on the headline KPI is as follows:

	December 2011 (12 months) Actual from operations	December 2011 (12 months) Target
Headline KPI		
Revenue Growth	2.2%	**12 - 15%**
Return on Equity	13.2%[1]	**15 - 18%**

[1] For the computation of Return on Equity above, the profit attributable to Owners of the Parent for FY2011 excludes the negative impact of non-recurring one-off items amounting to RM1.7 million.

Due to the challenges with the UAE contracts, the Group have not been able to meet both the headline KPIs for the current financial year.

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

24. Prospect for the next financial year

The Group continues 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 2012 to be lower than the financial year under review. The contribution from IFM Concession is subject to the terms of extension of the HSS concession.

The Group expects higher contribution from Property Division due to higher billings from on-going projects.

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
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit attributable to Owners of the Parent	56,429	2,906	60,216	78,780
Weighted average number of ordinary shares in issue ('000)	363,001	363,001	363,001	363,001
Basic earnings per share	15.55 sen	0.80 sen	16.59 sen	21.70 sen

By Order of the Board
SURIATI ASHARI (LS0009029)
Secretary

Kuala Lumpur
29 February 2012