FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014.

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
			30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
			RM'000	RM'000	RM'000	RM'000
				(Restated)		**(Restated)**
1	(a)	**Revenue**	**166,502**	**167,252**	**490,444**	**492,726**
	(b)	Cost of sales	(134,570)	(120,931)	(396,471)	(377,632)
	(c)	Gross profit	31,932	46,321	93,973	115,094
	(d)	Other income	3,229	2,926	11,107	9,537
	(e)	Expenses	(20,996)	(19,117)	(60,563)	(58,491)
	(f)	Finance costs	-	(7)	(3)	(30)
	(g)	Share of results of associates	324	541	557	998
	(h)	**Profit before tax**	**14,489**	**30,664**	**45,071**	**67,108**
	(i)	Income tax	(2,176)	(8,223)	(8,398)	(20,349)
	(j)	**Profit for the period**	**12,313**	**22,441**	**36,673**	**46,759**
		Attributable to:				
	(k)	Owners of the parent	9,343	14,555	28,487	33,349
	(l)	Non-controlling interests	2,970	7,886	8,186	13,410
		Profit for the period	**12,313**	**22,441**	**36,673**	**46,759**
2		**Earnings per share based on 1(k) above (Note 26):-**				
		Basic (based on 2014: 363,001,053 [2013: 363,001,053] ordinary shares)	2.57 sen	4.01 sen	7.85 sen	9.19 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013.

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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
	30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
	RM'000	RM'000 **(Restated)**	RM'000	RM'000 **(Restated)**
Profit for the period	12,313	22,441	36,673	46,759
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	57	1,252	240	1,862
Total comprehensive income for the period, net of tax	12,370	23,693	36,913	48,621
Attributable to:				
Owners of the parent	9,386	15,245	28,725	34,797
Non-controlling interests	2,984	8,448	8,188	13,824
Total comprehensive income for the period	12,370	23,693	36,913	48,621

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013.

Remarks to Condensed Consolidated Income Statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
	RM'000	RM'000 **(Restated)**	RM'000	RM'000 **(Restated)**
Profit before tax is arrived at after charging/(crediting):				
Interest income	(3,002)	(2,679)	(8,999)	(5,958)
Interest expense	-	7	3	30
Depreciation and amortization	3,061	3,499	9,291	11,057

Other than the above, there were no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment/(write back of impairment) of assets, foreign exchange (gain)/loss, (gain)/ loss on derivatives, write down of inventories and/or reversal of write down, reversal of provision for costs of restructuring and exceptional items.

FABER GROUP BERHAD
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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As at end of current quarter 30/09/2014 RM'000	Audited As at preceding financial year end 31/12/2013 RM'000
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	57,497	62,794
	Land held for property development	1,115	1,115
	Prepaid land lease payments	3,346	3,411
	Intangible assets	27,022	27,050
	Investment in associates	6,988	4,531
	Other investments	272	272
	Trade receivables	20,204	20,337
	Deferred tax assets	2,589	2,584
		119,033	122,094
2	Current assets		
	Property development costs	37,884	71,956
	Inventories	75,855	13,665
	Trade and other receivables	202,653	192,789
	Short term deposits*	320,841	363,687
	Cash and bank balances*	79,908	103,191
		717,141	745,288
	Total assets	**836,174**	**867,382**

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

		Unaudited As at end of current quarter	Audited As at preceding financial year end
		30/09/2014	**31/12/2013**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent		
	Share capital	90,750	90,750
	Other reserves	6,445	6,207
	Retained earnings	447,809	455,622
		545,004	552,579
4	Non-controlling interests	40,482	55,675
	Total equity	585,486	608,254
5	Non-current liabilities		
	Retirement benefit obligations	6,320	6,227
	Provisions	96	122
	Trade payables	5,952	4,880
	Deferred tax liabilities	603	217
		12,971	11,446
6	Current liabilities		
	Retirement benefit obligations	268	210
	Borrowings	-	176
	Trade and other payables	235,236	245,589
	Income tax payable	2,213	1,707
		237,717	247,682
	Total liabilities	250,688	259,128
	Total equity and liabilities	**836,174**	**867,382**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.50**	**1.52**

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013.

* Cash, bank balances and short term deposits
Included in the cash, bank balances and short term deposits of the Group is RM35,068,000 (2013 : RM44,598,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Nine months to 30/09/2014 RM'000	Unaudited Nine months to 30/09/2013 RM'000 (Restated)
Cash flows from operating activities			
Cash receipts from customers		484,733	639,779
Cash payments to suppliers		(281,719)	(311,578)
Cash payments to employees and for expenses		(203,041)	(191,375)
Cash (used in)/generated from operations		(27)	136,826
Interest paid		(18)	(49)
Income tax paid		(9,818)	(29,792)
Net cash flow (used in)/generated from operating activities		(9,863)	106,985
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		20	-
Investment in associates		(1,560)	(813)
Interest received		9,007	5,507
Purchase of property, plant and equipment		(3,966)	(2,503)
Capital distribution to a non-controlling shareholder upon liquidation of a subsidiary		(2)	-
Net cash flow generated from investing activities		3,499	2,191
Cash flows from financing activities			
Repayment of loan from corporate shareholder of a subsidiary		(176)	(371)
Repayment of hire purchase obligations		-	(28)
Dividend paid		(36,300)	(27,225)
Dividend paid to non-controlling shareholders of subsidiaries		(23,379)	(55,951)
Net cash flow used in financing activities		(59,855)	(83,575)
Net (decrease)/increase in cash and cash equivalents		**(66,219)**	**25,601**
Net foreign exchange difference		90	2,026
Cash and cash equivalents as at beginning of financial period		466,878	339,583
Cash and cash equivalents as at end of financial period	**(a)**	**400,749**	**367,210**

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

Short term deposits	320,841	269,656
Cash and bank balances	79,908	97,554
	400,749	**367,210**

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013.

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to owners of the parent					
		Non-distributable				
	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months to 30 September 2014 (unaudited)						
Balance as at 1 January 2014	90,750	6,207	455,622	552,579	55,675	608,254
Profit for the period	-	-	28,487	28,487	8,186	36,673
Other comprehensive income	-	238	-	238	2	240
Total comprehensive income for the period	-	238	28,487	28,725	8,188	36,913
Capital distribution to a non-controlling shareholder upon liquidation of a subsidiary	-	-	-	-	(2)	(2)
Dividend	-	-	(36,300)	(36,300)	-	(36,300)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	(23,379)	(23,379)
Balance as at 30 September 2014	90,750	6,445	447,809	545,004	40,482	585,486
Nine months to 30 September 2013 (unaudited)						
Balance as at 1 January 2013	90,750	4,268	424,136	519,154	101,156	620,310
Impact on adoption of FRS 10	-	858	(1,955)	(1,097)	(1,156)	(2,253)
Balance as at 1 January 2013 (Restated)	90,750	5,126	422,181	518,057	100,000	618,057
Profit for the period	-	-	33,349	33,349	13,410	46,759
Other comprehensive income	-	1,448	-	1,448	414	1,862
Total comprehensive income for the period	-	1,448	33,349	34,797	13,824	48,621
Dividend	-	-	(27,225)	(27,225)	-	(27,225)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	(55,951)	(55,951)
Balance as at 30 September 2013	90,750	6,574	428,305	525,629	57,873	583,502

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 2013.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013.

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 amendment to Financial Reporting Standards ("FRSs") which are mandatory for annual financial periods beginning on or after 1 January 2014, as disclosed below:

	Effective for the financial period beginning on or after
Amendments to FRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136 : Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139 : Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127 : Investment Entities	1 January 2014

The adoption of the above amendment to FRSs is not expected to have any significant impact to the Group.

Restatement of comparative

In Quarter 4, 2013, the Group reclassified a subsidiary in India, Faber Sindoori Management Services Private Limited previously accounted for as a subsidiary to associate. As the reclassification is required to be accounted for on a retrospective basis, the preceding year comparatives are restated to be consistent with current period presentation.

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional five years. Consequently, adoption of the MFRS Framework by Transitioning Entities are mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group is required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017.

In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively, against opening retained earnings.

2. Audit report in respect of the 2013 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2013 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

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

5. **Material changes in estimates used**

There were no changes in estimates of amounts reported in 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 2014.

7. **Dividend**

The single tier final dividend of 10.00 sen on 363,001,053 ordinary shares of RM0.25 each, amounting to RM36,300,105 in respect of the financial year ended 31 December 2013 was approved by the shareholders during the Annual General Meeting on 26 June 2014 and paid on 22 July 2014.

No interim dividend is declared for the current period ended 30 September 2014 (2013: nil).

8. **Operating Segments**

Operating Segment information for the current financial period to 30 September 2014 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	457,695	19,356	13,393	-	-	**490,444**
Inter-segment sales	-	183	-	179,727	(179,910)	**-**
Total Revenue	457,695	19,539	13,393	179,727	(179,910)	**490,444**
Results						
Segment results	57,381	626	482	164,228	(178,200)	**44,517**
Finance costs	(3)	-	-	-	-	**(3)**
Share of results of associates	(755)	1,312	-	-	-	**557**
Profit/(loss) before tax	56,623	1,938	482	164,228	(178,200)	**45,071**
Income tax	(7,058)	(401)	(783)	(156)	-	**(8,398)**
Profit/(loss) for the period	49,565	1,537	(301)	164,072	(178,200)	**36,673**
Attributable to:						
Owners of the parent	42,436	1,537	(1,403)	164,072	(178,155)	**28,487**
Non-controlling interests	7,129	-	1,102	-	(45)	**8,186**
Profit/(loss) for the period	49,565	1,537	(301)	164,072	(178,200)	**36,673**

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

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 2014 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2014 that have not been reflected in the condensed financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

A significant change in composition of the Group subsequent to the end of current financial period to the date of this announcement is as stated below:

On 18 April 2014, FGB entered into a conditional share sale agreement with UEM Group Berhad ("UEMG") for a total consideration of RM500 million to be satisfied by a combination of cash and issuance of shares for the acquisition of Projek Penyelenggaraan Lebuhraya Berhad ("PROPEL") and RM651 million to be satisfied by issuance of shares for the acquisition of Opus Group Berhad ("OPUS") ("Acquisitions").

On 17 October 2014, UEMG and FGB agreed that all conditions precedent to the conditional share sale agreement entered into between them on 18 April 2014 had been fulfilled.

The Acquisitions were completed on 29 October 2014 and accordingly PROPEL and OPUS became wholly-owned subsidiaries of FGB.

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 2013.

12. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Approved and contracted for	6,121

13. Income tax

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		**(Restated)**
Current income tax				
- Malaysian income tax	3,653	8,321	16,014	20,333
Under/(over) provision in prior years				
- Malaysian income tax	(1,399)	47	(7,998)	1,114
	2,254	8,368	8,016	21,447
Deferred tax				
- Relating to origination and reversal of temporary difference	(78)	(145)	(536)	427
- Under/(over) provision in prior years	-	-	918	(1,525)
	(78)	(145)	382	(1,098)
	2,176	**8,223**	**8,398**	**20,349**

The Group's effective tax rate for the current quarter/period was lower compared to the statutory tax rate mainly due to overprovision of tax in prior years.

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

14. Status of corporate proposals announced but not completed as at the date of this announcement

There is no corporate proposal announced but not completed as at the date of this announcement.

15. Status of the new Concession Agreement of Faber Medi-Serve Sdn Bhd ("FMS")

On 25 January 2013, FMS received 3 letters all dated 23 January 2013, from the Public Private Partnership Unit of the Prime Minister's Department, which state the following:-

i) For Northern Region of Peninsular Malaysia

That the Government of Malaysia in principle has agreed for FMS to implement the new concession in relation to the Privatisation of the Hospital Support Services contract ("HSS") for the Northern Region of Peninsular Malaysia (Perak, Pulau Pinang, Kedah and Perlis) for a period of ten (10) years with the new service fee at an increase of 5.8% from the 2011 Peninsular Malaysia service fee and a further RM16.572 million per annum for the Sustainability Programme, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and FMS;

ii) For Sabah Zone

That the Government of Malaysia in principle has agreed that the new concession in relation to the Privatisation of the HSS for the Sabah Zone is to be implemented by a new Consortium Company of which FMS will hold 40% equity interest and another 60% equity interest will be held by 1Care Consortium Sdn Bhd ("1Care"). The new concession will be for a period of ten (10) years with the new service fee (including the Sustainability Programme) at an increase of 7.8% from the 2011 Sabah service fee, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and the Consortium Company; and

iii) For Sarawak Zone

That the Government of Malaysia in principle has agreed that the new concession in relation to the Privatisation of the HSS for the Sarawak Zone is to be implemented by a new Consortium Company, of which FMS will hold 40% equity interest and another 60% equity interest will be held by another consortium company through Metrocare Services Sdn Bhd ("Metrocare") and the joint venture between Simfoni Dua Sdn Bhd and Perbadanan Pembangunan Ekonomi Sarawak. The new concession will be for a period of ten (10) years with the new service fee (including the Sustainability Programme) at an increase of 8.1% from the 2011 Sarawak service fee, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and the Consortium Company.

On 27 February 2013, Segi Operasi Sdn Bhd (now known as FMS Services (Sabah) Sdn Bhd) entered into a Joint Venture Agreement ("JVA") with FMS, 1Care and Sedafiat Sdn Bhd ("SSB") for the purpose of carrying out the HSS to the hospitals operated by the Ministry of Health ("MOH") throughout the state of Sabah, via the Joint Venture Company ("JVC"), SSB.

Also on the same date, Segi Kirana Sdn Bhd (now known as FMS Services (Sarawak) Sdn Bhd) entered into a JVA with FMS, Metrocare and One Medicare Sdn Bhd ("OMSB") for the purpose of carrying out the HSS to the hospitals operated by the MOH throughout the state of Sarawak, via the JVC, OMSB.

FMS has attended various discussions and negotiations with MOH in relation to the new technical and operational requirements pursuant to the New Concession Agreement ("NCA"). The negotiation is still ongoing. Management believe that the NCA will be signed in due course.

16. Borrowings and debt securities

There are no borrowings and debt securities as at 30 September 2014.

17. Derivatives

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

18. Fair value hierarchy

There were no transfers between any levels of the fair value hierarchy that took place during the current period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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

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

	As at end of current quarter	As at preceding financial year end
	30/09/2014	**31/12/2013**
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	299,029	310,663
- Unrealised	1,986	225
	301,015	310,888
Consolidation adjustments	146,794	144,734
Total group retained earnings as per consolidated financial statements	447,809	455,622

20. **Material litigation**

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

(i) **UEM Genisys Sdn Bhd (in liquidation) ("UEM Genisys") vs. Road Builder (M) Sdn Bhd ("Road Builder") and Faber Hotels Holdings Sdn Bhd ("FHHSB") as Third Party (Civil Suit No. S6-22-1085-2008) formerly under (suit No. D7-22-1057-2007)**

Road Builder was the main contractor for the construction of the Sheraton Subang Jaya Hotel. UEM Genisys was appointed as the nominated sub-contractor for the air conditioning and ventilation systems. Road Builder then entered into a novation arrangement for FHHSB to take over as the main contractor.

UEM Genisys filed a writ of summons and statement of claim dated 3 August 2007 against Road Builder for outstanding payment amounting to RM2,142,229.24 together with the interests ("Balance Outstanding Sum"). Road Builder in turn filed a Third Party Notice against FHHSB to claim for indemnity for the Balance Outstanding Sum.

Road Builder alleged that the Balance Outstanding Sum was the responsibility of FHHSB's debt to UEM Genisys, and Road Builder had issued a Third Party Notice that FHHSB had by novation, agreed to take over the rights and liabilities of Road Builder as the main contractor of the Project and that FHHSB had undertaken to indemnify Road Builder for losses that may arise from such arrangement.

FHHSB in its Defence denied that there was a novation and that there was only a direct undertaking given by FHHSB to UEM Genisys to pay Road Builder's debt. FHHSB states that as UEM Genisys chose to claim against Road Builder rather than FHHSB, they have waived their right to claim against FHHSB.

On 18 May 2012, the court delivered its decision by allowing UEM Genisys' claim against Road Builder for the sum of RM2,142,229.24 with interest and cost to be assessed, whereas Road Builder's claim for indemnity against FHHSB was dismissed with cost to be assessed. Road Builder had on 17 July 2012 lodged an appeal to the Court of Appeal against the decision of the High Court in allowing UEM Genisys' claim and dismissing the claims against FHHSB with cost to be taxed.

The hearing of the appeal by Road Builder to the Court of Appeal which was fixed on 18 February 2014 had been adjourned to 7 May 2014. On 7 May 2014, the Court of Appeal dismissed Road Builder's appeal with costs of RM20,000.00 awarded to each UEM Genisys and FHHSB.

On 6 June 2014, Road Builder served an unsealed Originating Motion to apply for leave to appeal to the Federal Court. FHHSB filed an affidavit to oppose the application on 13 June 2014. No hearing date has been fixed as yet.

The application by Road Builder for leave to appeal to the Federal Court was heard on 11 November 2014 and the Court has dismissed the application with cost of RM5,000.00.

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

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

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

The claim is in relation to the civil, mechanical and electrical maintenance services for low cost houses 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 was still an outstanding amount due to the Claimant for works carried out prior to the end of the Contracts' period, which was under dispute pending the hearing of the case. The claim amount is AED13,119,213.49 (equivalent to approximately RM11,211,155.08), which Faber LLC disputed.

On 31 May 2012, the Al Dhafra Court decided to appoint a new panel of experts to re-evaluate the case. On 24 September 2012, the Al Dhafra Court adjourned the case to 15 October 2012, and thereafter to 19 November 2012 for the expert report.

On 6 January 2013, the Al Dhafra Court accepted the expert report in respect of the claim to be paid by Faber LLC to the Claimant, amounting to AED8,054,010.07 (equivalent to approximately RM6,541,969.29). Faber LLC requested its solicitors to file an appeal on the decision of the Al Dhafra Court. On 16 December 2013, the Abu Dhabi Cassation Court rejected Faber LLC's appeal and confirmed the Al Dhafra Court's decision.

On 16 December 2013, the Claimant also filed an additional claim of AED2,000,000.00. On 7 January 2014, Faber LLC filed the supporting documents for the counter claim amounting to AED8,534,028.00 and the Claimant filed their rejoinder to Faber LLC's claim. A hearing on the matter was held on 29 January 2014, and the Court adjourned the judgment to a later date to be decided by the Court.

A meeting with the expert was held on 16 February 2014 and Faber LLC submitted a copy of its counter claim together with a translation of all the supporting documents that were filed in Court. Faber LLC also submitted an additional memorandum together with supporting documents providing further details of the counter claim to the expert. The case was postponed to 15 April 2014 for filing the expert report in Court.

During the hearing on 15 April 2014, the Court decided to adjourn the case to 29 April 2014.

On 29 April 2014, the Court heard the matter and thereafter adjourned the same to 12 May 2014 for judgment. On 12 May 2014, the Al Dhafra Court rejected Faber LLC's counter claim and decided on behalf of the Claimant. The Al Dhafa Court requested Faber LLC to pay the amount as per the expert report of AED 1,799,748.32 (equivalent to (RM1,583,598.55) to the Claimant together with an interest of 6 percent from 15 March 2011 till the date of payment.

On 3 June 2014, Faber LLC filed an appeal against the judgment passed by the Al Dhafra Court and an objection to Claimant's application for attachment order on the judgment sum. On 18 June 2014, Faber LLC filed an explanatory memorandum on the appeal. On 25 June 2014, the Al Dhafra Court ruled that the Claimant's attachment application is valid and ordered Faber LLC to pay the judgment sum to Court. Awaiting for the Court of Appeal Al Dhafra to fix the hearing date of appeal.

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

21. Detailed analysis of the performance between the current quarter and the immediate preceding quarter

	Current quarter	Immediate preceding quarter	Variance	Variance
	30/09/2014	**30/06/2014**		
	RM'000	RM'000	RM'000	%
Revenue:				
Integrated Facilities Management ("IFM")				
Concession	152,652	155,599	(2,947)	(1.9)
Non-concession	5,306	6,309	(1,003)	(15.9)
Properties	8,544	2,581	5,963	>100.0
Group	**166,502**	**164,489**	**2,013**	**1.2**
Profit Before Tax:				
IFM				
Concession	17,286	20,193	(2,907)	(14.4)
Non-concession	490	87	403	>100.0
Properties	1,784	3	1,781	>100.0
Others/Elimination	(5,071)	(6,613)	1,542	23.3
Group	**14,489**	**13,670**	**819**	6.0

The Group's revenue for the current quarter of RM166.5 million was RM2.0 million or 1.2% higher than the preceding quarter of RM164.5 million. Properties Division recorded higher revenue by RM6.0 million mainly due to higher work progress for Faber Antara at Persiaran Gurney. IFM Concession on the other hand recorded lower revenue by RM2.9 million. This is as a result of the higher delivery of linen and collection of clinical waste in the preceding quarter, arising from increased activities at the government hospitals within FGB's concession area. Non-Concession recorded lower revenue by RM1.0 million mainly due to the expiry of a hospital contract in United Arab Emirates.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM14.5 million, as compared to RM13.7 million in the preceding quarter. This was mainly due to the higher revenue recorded at Properties Division as explained above, coupled by the higher professional fees incurred in the preceding quarter in relation to the proposed acquisition of PROPEL and OPUS. In the preceding quarter IFM Non-concession recorded a lower PBT largely attributable to the cumulative effect of the redistribution of plant costs to respective commercial business. On the other hand, IFM Concession recorded lower PBT mainly due to lower revenue as explained above.

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

22. Detailed analysis of the performance for the current quarter and period

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Nine months to	Nine months to	Variance	Variance
	30/09/2014	**30/09/2013**			**30/09/2014**	**30/09/2013**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
		(Restated)				**(Restated)**		
Revenue:								
IFM								
Concession	152,652	147,206	5,446	3.7	457,695	440,658	17,037	3.9
Non-concession	5,306	8,791	(3,485)	(39.6)	19,356	25,185	(5,829)	(23.1)
Properties	8,544	11,255	(2,711)	(24.1)	13,393	26,883	(13,490)	(50.2)
Group	**166,502**	**167,252**	**(750)**	**(0.4)**	**490,444**	**492,726**	**(2,282)**	**(0.5)**
Profit Before Tax:								
IFM								
Concession	17,286	18,114	(828)	(4.6)	56,623	55,366	1,257	2.3
Non-concession	490	12,669	(12,179)	(96.1)	1,938	15,090	(13,152)	(87.2)
Properties	1,784	2,546	(762)	(29.9)	482	4,389	(3,907)	(89.0)
Others/Elimination	(5,071)	(2,665)	(2,406)	(90.3)	(13,972)	(7,737)	(6,235)	(80.6)
Group	**14,489**	**30,664**	**(16,175)**	**(52.7)**	**45,071**	**67,108**	**(22,037)**	**(32.8)**

The Group's revenue for the current quarter of RM166.5 million was lower by RM0.8 million as compared to RM167.3 million in the corresponding quarter last year. Whilst for the year-to-date, revenue of RM490.4 million was lower by RM2.3 million against RM492.7 million for the preceding year.

Properties Division recorded lower revenue mainly due to lower sales. Non-concession recorded lower revenue mainly due to lower contribution from the project in UAE. The lower revenue recorded by both IFM Non-Concession and Properties Division was partially mitigated by higher revenue recorded by IFM Concession mainly due to higher variation orders and increased delivery of linen and collection of clinical waste arising from increased activities at the government hospitals within FGB's concession area.

The Group's current quarter PBT of RM14.5 million was lower by RM16.2 million as compared to RM30.7 million in the corresponding quarter last year. IFM Non-concession recorded a lower PBT mainly due to the reversal of over accrued costs for the projects in UAE amounting to RM10.2 million in the preceding year corresponding quarter. IFM Concession recorded lower PBT mainly due to higher incineration and transportation costs incurred on clinical waste at Sabah. In addition, Properties Division's lower PBT is due to lower revenue recorded as explained above.

For the year-to-date, PBT of RM45.1 million was lower by RM22.0 million against RM67.1 million for the preceding year. IFM Non-concession recorded a lower PBT mainly due to the reversal of over accrued costs for the projects in UAE in the preceding year corresponding quarter, as explained above. This was coupled by higher professional fees incurred in the current period in relation to the proposed acquisition of PROPEL and OPUS, and flow through of lower revenue recorded by Properties Division as explained above.

The negative variance recorded by IFM Non-Concession and Properties Division was partially mitigated by higher PBT recorded by IFM Concession as a result of higher revenue as explained above.

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

23. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		**(Restated)**
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	11,163	27,451	35,518	60,182
Adjusted tax	(2,791)	(6,863)	(8,880)	(15,045)
NOPAT	**8,372**	**20,588**	**26,638**	**45,137**
Economic charge computation:				
Average invested capital	165,097	266,421	165,097	266,421
Weighted average cost of capital ("WACC")	11.3%	12.0%	11.3%	12.0%
Economic charge	**4,664**	**7,993**	**13,992**	**23,978**
Economic profit	**3,708**	**12,595**	**12,646**	**21,159**

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 2014 against the corresponding quarter last year :

EP of RM3.7 million is lower by RM8.9 million as compared to the preceding year corresponding quarter of RM12.6 million mainly due to lower EBIT.

(b) Performance of the current period ended 30 September 2014 against last year :

EP of RM12.6 million is lower by RM8.6 million as compared to the preceding year corresponding period of RM21.2 million mainly due to a lower EBIT.

24. Prospects for the current financial year

The Group is continuing its effort in growing its businesses and managing costs. While the Group expects the revenue contribution from Hospital Support Services to be maintained as the new concession agreement has not been signed to date, the Group will be incurring higher operating costs in particular for the transportation and processing of clinical waste in Sabah. In addition, the outlook for the Group's Property business will remain challenging in line with the continuing effect of the property cooling off measures introduced by the Government last year.

With the completion of the acquisition of PROPEL and OPUS on 29 October 2014, the Group will be recognizing the financial impact of both PROPEL and OPUS for the year ending 31 December 2014 which is expected to contribute positively to the financial performance of the Group.

25. Profit forecast

The Group did not issue any profit forecast in the current period.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2014	**30/09/2013**	**30/09/2014**	**30/09/2013**
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit attributable to Owners of the Parent	9,343	14,555	28,487	33,349
Weighted average number of ordinary shares in issue ('000)	363,001	363,001	363,001	363,001
Basic earnings per share	2.57 sen	4.01 sen	7.85 sen	9.19 sen

By Order of the Board

Kuala Lumpur
20 November 2014

Chiew Siew Yuen (MAICSA No. 7063781)
Sheikh Azree Mokhtar (LS No. 0008368)
Joint Company Secretaries