FABER GROUP BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014.

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
			31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
			RM'000	RM'000	RM'000	RM'000
				(Restated)		**(Restated)**
1	(a)	**Revenue**	**904,399**	**837,373**	**3,089,287**	**2,699,652**
	(b)	Cost of sales	(601,615)	(555,221)	(2,107,991)	(1,816,591)
	(c)	Gross profit	302,784	282,152	981,296	883,061
	(d)	Other income	49,214	9,839	76,915	36,225
	(e)	Expenses	(219,926)	(169,993)	(719,035)	(594,847)
	(f)	Finance costs	(4,871)	(4,174)	(14,283)	(11,080)
	(g)	Share of results of associates	(1,045)	396	(488)	1,394
	(h)	Share of results of joint ventures	43	1,190	57	2,410
	(i)	**Profit before tax**	**126,199**	**119,410**	**324,462**	**317,163**
	(j)	Zakat	(3,490)	(1,336)	(3,490)	(3,950)
	(k)	Income tax	(33,179)	(29,479)	(79,063)	(83,363)
	(l)	**Profit for the period/year**	**89,530**	**88,595**	**241,909**	**229,850**
		Attributable to:				
	(m)	Owners of the parent	73,300	78,301	202,386	190,430
	(n)	Non-controlling interests	16,230	10,294	39,523	39,420
		Profit for the period/year	**89,530**	**88,595**	**241,909**	**229,850**
2		**Earnings per share based on 1(m) above (Note 26):-**				
		Basic (based on 2014: 813,501,053 [2013: 813,501,053] ordinary shares)	9.01 sen	9.63 sen	24.88 sen	23.41 sen

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

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
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	RM'000	RM'000 **(Restated)**	RM'000	RM'000 **(Restated)**
Profit for the period/year	89,530	88,595	241,909	229,850
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	10,391	26,499	10,632	28,360
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement losses on Retirement Benefit Scheme	(19)	(1,557)	(19)	(1,557)
Remeasurement (loss)/gain on Defined Benefit Pension Scheme	(1,886)	4,756	(1,886)	4,756
Tax impact on remeasurement loss/(gain)	417	(1,006)	417	(1,006)
	(1,488)	2,193	(1,488)	2,193
Total other comprehensive income for the period/year, net of tax	8,903	28,692	9,144	30,553
Total comprehensive income for the period/year	98,433	117,287	251,053	260,403
Attributable to:				
Owners of the parent	79,497	96,491	208,822	210,067
Non-controlling interests	18,936	20,796	42,231	50,336
Total comprehensive income for the period/year	98,433	117,287	251,053	260,403

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	Twelve months to	Twelve months to
	Note	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
		RM'000	RM'000 **(Restated)**	RM'000	RM'000 **(Restated)**
Profit before tax is arrived at after charging/(crediting):					
Interest income		(7,247)	(2,872)	(20,581)	(19,040)
Interest expense		4,871	4,174	14,283	11,080
Depreciation and amortization		17,059	14,561	48,068	39,221
Impairment of receivables	(a)	33,541	4,331	33,541	4,331
Write off/impairment of property, plant and equipment		6,280	3,173	6,280	3,173
Impairment loss on goodwill	(b)(i)	17,893	-	17,893	-
Foreign exchange gain		(49)	(493)	(49)	(493)
Write down/(reversal of write down) of inventories		126	(44)	126	(44)
Reversal of deferred consideration arising from acquisition of a subsidiary	(b)(ii)	(30,752)	-	(30,752)	-

Other than the above, there were no 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, (gain)/ loss on derivatives, reversal of provision for costs of and restructuring.

(a) Impairment of receivables

Included in impairment of receivables of the Group is RM19,345,000 relating to long outstanding receivables on the Low Cost Housing and Infrastructure contract with Western Region Municipality of Abu Dhabi. During the year Management assessed that the recoverability of the receivables is doubtful and has impaired the amount in full.

(b) Opus International Consultants Limited ("OIC")

i) Impairment loss on goodwill

The performance of the Australian operations has not been growing as targeted due to the current economic environment of the Australian market. During the year, Management assessed that the recoverable amount of the Australian segment (determined based on value in use calculation using projected cash flows) is lower than its carrying value. Accordingly, impairment loss on goodwill of RM17,893,000 was recognised in the income statement for the current financial year.

ii) Reversal of deferred consideration arising from acquisition of a subsidiary

On 3 September 2013, OIC acquired 100% interest in a Canadian based company, Opus Stewart Weir Limited ("OSW"). The total consideration of RM237,088,000 includes RM86,897,000 which was deferred and payable depending on OSW meeting certain earnings and performance targets over the future three years.

At the reporting date, Management re-measured the fair value of the deferred consideration payable to be lower than that estimated at the acquisition date due to lower probability of OSW meeting the performance targets based on OSW's actual performance since the acquisition date. Accordingly, the fair value of deferred consideration payable has decreased by RM30,752,000 with the fair value adjustment recognised in the income statement for the current financial year.

(c) **II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		Unaudited As at current financial year end 31/12/2014 RM'000	Audited As at preceding financial year end 31/12/2013 RM'000 (Restated)
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	188,105	167,344
	Land held for property development	1,115	1,115
	Prepaid land lease payments	3,324	3,411
	Intangible assets	474,972	463,560
	Investment in associates	6,070	4,531
	Investment in joint ventures	12,985	38,138
	Other investments	272	272
	Trade and other receivables	21,110	30,997
	Derivative financial instrument	-	2,807
	Defined benefit plan	890	1,454
	Deferred tax assets	44,640	45,091
		753,483	758,720
2	Current assets		
	Property development costs	41,625	71,956
	Inventories	43,443	13,665
	Trade and other receivables	731,098	801,784
	Investment securities	256,924	261,319
	Derivative financial instruments	7,454	8,971
	Short term deposits*	668,465	445,330
	Cash and bank balances*	143,536	255,033
		1,892,545	1,858,058
	Total assets	**2,646,028**	**2,616,778**

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

		Unaudited As at current financial year end	**Audited As at preceding financial year end**
		31/12/2014	**31/12/2013**
		RM'000	RM'000
			(Restated)
	EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent		
	Share capital	203,375	90,750
	Merger relief reserve/deficit	313,856	676,477
	Other reserves	36,949	29,559
	Retained earnings	605,206	595,031
		1,159,386	1,391,817
4	Non-controlling interests	201,740	215,086
	Total equity	1,361,126	1,606,903
5	Non-current liabilities		
	Retirement benefit obligations	6,404	6,227
	Provisions	21,280	21,511
	Trade and other payables	48,685	96,286
	Borrowings	314,463	163,688
	Derivative financial instruments	437	-
	Deferred tax liabilities	3,637	3,013
		394,906	290,725
6	Current liabilities		
	Retirement benefit obligations	106	210
	Provisions	17,410	14,660
	Trade and other payables	675,757	648,091
	Borrowings	36,704	40,787
	Dividend payable	146,430	-
	Income tax payable	13,589	15,402
		889,996	719,150
	Total liabilities	1,284,902	1,009,875
	Total equity and liabilities	**2,646,028**	**2,616,778**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.43**	**1.71**

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 RM40,182,000 (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 Twelve months to 31/12/2014	Audited Twelve months to 31/12/2013
		RM'000	RM'000
			(Restated)
Cash flows from operating activities			
Cash receipts from customers		3,208,960	2,843,891
Cash payments to suppliers		(2,428,293)	(2,062,187)
Cash payments to employees and for expenses		(354,942)	(333,076)
Cash generated from operations		425,725	448,628
Interest paid		(9,603)	(8,643)
Income tax paid		(79,515)	(93,662)
Net cash flow generated from operating activities		336,607	346,323
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		6,624	380
Payment for contingent consideration		(16,755)	-
Acquisition of subsidiaries, net of cash acquired		(251,507)	(154,923)
Investment in associates		(2,520)	(894)
Investment in joint ventures		-	(106)
Placement of investment securities		(146,138)	(58,055)
Proceeds from withdrawal of investment securities		162,573	-
Proceeds from forward hedging contract		18,588	3,647
Interest received		19,086	18,615
Dividend received from joint ventures		1,904	1,613
Purchase of property, plant and equipment		(56,825)	(55,785)
Purchase of intangible assets		(492)	(71)
Disposal of a subsidiary, net of cash disposed		-	(898)
Net cash flow used in investing activities		**(265,462)**	**(246,477)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares to non-controlling interests		1,646	361
Capital repayment to non-controlling shareholders of a subsidiary		(29,224)	-
Repayment of loan from corporate shareholder of a subsidiary		(176)	(500)
Repayment of finance lease		(5,303)	(6,075)
Repayment of hire purchase obligations		-	(38)
Drawdown of borrowings		193,336	97,042
Repayment of borrowings		(22,233)	(20,000)
Dividend paid		(36,300)	(63,975)
Dividend paid to non-controlling shareholders of subsidiaries		(37,190)	(69,206)
Net cash flow generated from/(used in) financing activities		64,556	(62,391)
Net increase in cash and cash equivalents		**135,701**	**37,455**
Net foreign exchange difference		2,660	9,958
Cash and cash equivalents as at beginning of financial year		663,509	616,096
Cash and cash equivalents as at end of financial year	(a)	**801,870**	**663,509**

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Unaudited Twelve months to 31/12/2014	**Audited Twelve months to 31/12/2013**
	RM'000	RM'000
		(Restated)
(a) Cash and Cash Equivalents comprise the following amounts:		
Short term deposits	668,465	445,330
Cash and bank balances	143,536	255,033
Bank overdraft	(10,131)	(36,854)
	801,870	**663,509**

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						
		Note						
	Share capital	**Merger relief reserve**	**Merger deficit**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Twelve months to 31 December 2014 (unaudited)								
Balance as at 1 January 2014 (Restated)	90,750	-	676,477	29,559	595,031	1,391,817	215,086	1,606,903
Profit for the year	-	-	-	-	202,386	202,386	39,523	241,909
Other comprehensive income/(loss)	-	-	-	7,347	(911)	6,436	2,708	9,144
Total comprehensive income for the year	-	-	-	7,347	201,475	208,822	42,231	251,053
Issue of ordinary shares for acquisition of subsidiaries using pooling-of-interest method	112,625	313,852	(676,477)	-	(8,996)	(258,996)	(20,228)	(279,224)
Dilution of interest in a subsidiary	-	4		-	426	430	1,891	2,321
Share-based payment of a subsidiary	-	-	-	43	-	43	(50)	(7)
Dividends	-	-	-	-	(182,730)	(182,730)	-	(182,730)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	(37,190)	(37,190)
Balance as at 31 December 2014	203,375	313,856	-	36,949	605,206	1,159,386	201,740	1,361,126

Note: The acquisition of OPUS and PROPEL, which was accounted for using the pooling of interest method, gave rise to a merger deficit of RM956,554,000, being the excess of the consideration paid over the share capital and capital reserves of both Opus and Propel as at the acquisition date. The acquisition also gave rise to a reserve of RM482,035,000, being the excess of the fair value of Faber Group Berhad ("FGB") shares over the issue price and a merger relief reserve of RM788,375,000, being the excess of issue price over its par value. Both of these reserves have been set off against the merger deficit.

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	Attributable to owners of the parent						
		Non- distributable					
		Note					
	Share capital	Merger deficit	Other reserves	Retained earnings	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 2013 (audited)							
Balance as at 1 January 2013	90,750	-	5,126	422,181	518,057	100,000	618,057
Arising from the application of the pooling-of-interest method of accounting	-	676,477	5,923	45,305	727,705	139,286	866,991
Balance as at 1 January 2013 (Restated)	90,750	676,477	11,049	467,486	1,245,762	239,286	1,485,048
Profit for the year	-	-	-	190,430	190,430	39,420	229,850
Other comprehensive income	-	-	18,742	895	19,637	10,916	30,553
Total comprehensive income for the year	-	-	18,742	191,325	210,067	50,336	260,403
Disposal of a subsidiary	-	-	-	-	-	(5,467)	(5,467)
Dilution of interest in a subsidiary	-	-	-	203	203	207	410
Share-based payment of a subsidiary	-	-	(232)	(8)	(240)	(70)	(310)
Dividends	-	-	-	(27,225)	(27,225)	-	(27,225)
Dividend paid by a subsidiary before pooling-of-interest	-	-	-	(36,750)	(36,750)	-	(36,750)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	(69,206)	(69,206)
Balance as at 31 December 2013	90,750	676,477	29,559	595,031	1,391,817	215,086	1,606,903

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 FINANCIAL STATEMENTS (CONT'D)

V. NOTES TO THE CONDENSED CONSOLIDATED 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.

During the year, the Group adopted the pooling-of-interest method of accounting for the acquisition of its two new subsidiaries as disclosed in Note 6.

Restatement of comparative

As mentioned above, the Group's financial statements have been prepared based on the pooling-of-interest method of accounting for the acquisitions of Projek Penyelenggaraan Lebuhraya Berhad ("PROPEL") and Opus Group Berhad ("OPUS"). Accordingly, the comparative figures for the Group's financial statements have been presented as if the Group Structure immediately after the acquisitions has been in existence since the earliest financial year presented.

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.

V. NOTES TO THE CONDENSED CONSOLIDATED 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 financial years that have a material effect in the current year.

6. **Debt and equity securities**

Pursuant to the acquisitions of PROPEL and OPUS by FGB from UEM Group Berhad ("UEMG"), FGB had issued the followings:

i) 125.0 million new ordinary shares of RM0.25 each in FGB ("FGB Shares") at the issue price of RM2.00 per FGB Share to partly satisfy the total consideration of RM500 million for the acquisition of PROPEL; and

ii) 325.5 million new FGB Shares at the issue price of RM2.00 per FGB Share to fully satisfy the total consideration of RM651 million for the acquisition of OPUS.

Save for the above, 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 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.

The single tier special interim dividend of 18.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM146,430,190 in respect of the current financial year was paid on 22 January 2015.

The Directors recommend the payment of a single tier final dividend of 5.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM40,675,053 in respect of financial year ended 31 December 2014.

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

8. Operating Segments

Operating Segment information for the current financial year ended 31 December 2014 is as follows:

By operating segment

	Asset Development and Asset Management Consultancy	Integrated Facilities Management	Infrastructure Maintenance	Properties	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	1,634,939	673,315	762,244	18,789	-	-	**3,089,287**
Inter-segment revenue	20,200	1,986	2,873	25,434	453,321	(503,814)	**-**
Total Revenue	1,655,139	675,301	765,117	44,223	453,321	(503,814)	**3,089,287**
Results							
Segment results	173,127	78,834	102,269	5,940	424,293	(445,287)	**339,176**
Finance costs	(12,603)	(202)	(572)	(20)	(1,062)	176	**(14,283)**
Share of results of associates	-	(488)	-	-	-	-	**(488)**
Share of results of joint ventures	57	-	-	-	-	-	**57**
Profit/(loss) before tax	160,581	78,144	101,697	5,920	423,231	(445,111)	**324,462**
Zakat	(915)	(1,000)	-	(761)	(814)	-	**(3,490)**
Income tax	(34,445)	(16,001)	(24,880)	(3,699)	(38)	-	**(79,063)**
Profit/(loss) for the year	125,221	61,143	76,817	1,460	422,379	(445,111)	**241,909**
Attributable to:							
Owners of the parent	98,438	50,490	76,817	(120)	422,379	(445,618)	**202,386**
Non-controlling interests	26,783	10,653	-	1,580	-	507	**39,523**
Profit/(loss) for the year	125,221	61,143	76,817	1,460	422,379	(445,111)	**241,909**

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

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 2014 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 2014 that have not been reflected in the condensed financial.

On 26 February 2015, Faber Medi-Serve Sdn Bhd ("FMS"), a 100% subsidiary of FGB, entered into a sale of shares agreement with SSP Medical Technologies Sdn Bhd ("SSP") for the acquisition of 1,200,000 ordinary shares of RM1.00 each in Healthtronics (M) Sdn Bhd ("Healthtronics"), representing 40% of the total issued and paid-up share capital of Healthtronics from SSP for a total cash consideration of RM10,000,000 ("Proposed Acquisition"). The Proposed Acquisition was completed on 27 February 2015 and Healthtronics became a wholly-owned subsidiary of FMS.

10. Changes in the composition of the Group

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

a) On 18 April 2014, FGB entered into a conditional share sale agreement with UEMG for a total consideration of RM500 million to be satisfied by a combination of cash and issuance of shares for the acquisition of PROPEL and RM651 million to be satisfied by issuance of shares for the acquisition of OPUS ("Acquisitions"). The Acquisitions were completed on 29 October 2014 and accordingly PROPEL and OPUS became wholly-owned subsidiaries of FGB.

b) On 22 December 2014, Renown Alliance Sdn Bhd, a wholly-owned subsidiary of FGB had been placed under Members' Voluntary Liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965.

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 except as disclosed below:

	RM'000
Secured:	
Performance bond extended to Government of Malaysia in respect of security for the due performance of the Hospital Support Services Concession Agreement dated 28 October 1996	(3,524)

12. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Approved and contracted for	19,372
Approved but not contracted for	18,302

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

13. Income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		**(Restated)**
Current income tax				
- Malaysian income tax	24,028	23,727	62,974	60,807
- Foreign Tax	9,963	9,568	24,564	27,461
Under/(over) provision in prior years				
- Malaysian income tax	310	(3,691)	(8,462)	(3,152)
- Foreign Tax	(1,398)	(2,535)	(1,517)	(2,535)
	32,903	27,069	77,559	82,581
Deferred tax				
- Relating to origination and reversal of temporary difference	(1,783)	(3,074)	(949)	(3,564)
- Relating to changes in tax rates	316	2,483	316	2,483
- Under/(over) provision in prior years	1,743	3,001	2,137	1,863
	276	2,410	1,504	782
	33,179	**29,479**	**79,063**	**83,363**

There is no significant difference between the Group's effective tax rate and the statutory tax rate.

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.

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

15. Status of the new Concession Agreement of Faber Medi-Serve Sdn Bhd

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 believes that the NCA will be signed in due course.

16. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 December 2014 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
Other borrowings						
Domestic – Bank	80,000	-	80,000	20,904	-	20,904
Foreign – Bank						
- US Dollar	-	-	-	-	167	167
- Australian Dollar	-	69,938	69,938	-	1,321	1,321
- New Zealand Dollar	-	7,505	7,505	-	13,982	13,982
- Euro	-	-	-	-	56	56
- Canadian Dollar	-	128,830	128,830	-	274	274
- British Pound	-	28,190	28,190	-	-	-
TOTAL	**80,000**	**234,463**	**314,463**	**20,904**	**15,800**	**36,704**

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

17. Derivatives

Details of outstanding derivatives as at 31 December 2014 are as follows:

	Contract/ Notional value	Fair value
	RM'000	RM'000
Types of derivatives		
Forward exchange rate contract:		
- due within 12 months (net settled)	154,266	7,454
- due 12 to 24 months (net settled)	23,503	(410)
Interest rate swap:		
- due 12 to 24 months (net settled)	30,100	(27)

18. Fair value hierarchy

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

19. Breakdown of realised and unrealised profits or losses

	As at current financial year end **31/12/2014**	As at preceding financial year end **31/12/2013**
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	619,496	598,566
- Unrealised	41,003	39,936
	660,499	638,502
Consolidation adjustments	(55,293)	(43,471)
Total group retained earnings as per consolidated financial statements	605,206	595,031

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

20. **Material litigation**

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

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 (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 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 (approximately RM6,541,969.29). An appeal was made by Faber LLC which was subsequently rejected by the Abu Dhabi Cassation Court.

On 16 December 2013, the Claimant filed an additional claim of AED2,000,000.00 (approximately RM1,734,920.00). On 7 January 2014, Faber LLC filed the supporting documents for the counter claim amounting to AED8,534,028.00.

On 12 May 2014, the Al Dhafra Court rejected Faber LLC's counter claim and decided on behalf of the Claimant and requested Faber LLC to pay the amount as per the expert report of AED 1,799,748.32 (approximately 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 which was rejected. Subsequently, the Court of Appeal Al Dhafra allowed Faber LLC's appeal and set aside the judgment of the Al Dhafra directing Faber LLC to pay the sum of AED1,799,748.32 plus interests and costs to the Claimant. However, the Court of Appeal Al Dhafra rejected Faber LLC's counter claim of AED8,534,028.00 filed against the Claimant.

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

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

	Current quarter **31/12/2014** RM'000	Immediate preceding quarter **30/09/2014** RM'000 **(Restated)**	Variance RM'000	Variance %
Revenue:				
Asset Development and Asset Management Consultancy	438,359	416,310	22,049	5.3
Integrated Facilities Management	197,287	157,578	39,709	25.2
Infrastructure Maintenance	263,358	206,361	56,997	27.6
Properties	5,395	8,544	(3,149)	(36.9)
Group	**904,399**	**788,793**	**115,606**	**14.7**
Profit Before Tax:				
Asset Development and Asset Management Consultancy	70,162	39,432	30,730	77.9
Integrated Facilities Management	19,583	17,776	1,807	10.2
Infrastructure Maintenance	38,923	25,946	12,977	50.0
Properties	5,438	1,784	3,654	>100.0
Elimination	(7,907)	(5,071)	(2,836)	(55.9)
Group	**126,199**	**79,867**	**46,332**	**58.0**

The Group's revenue for the current quarter of RM904.4 million was RM115.6 million or 14.7% higher than the preceding quarter of RM788.8 million. The Infrastructure Maintenance ("IM") Division recorded higher revenue by RM57.0 million mainly due to higher road maintenance works and the North-South Expressway fourth lane widening ("4LW") project. The Integrated Facilities Management ("IFM") Division recorded higher revenue by RM39.7 million mainly due to higher variation orders and reimbursable works at the government hospitals within FGB's concession area. The Asset Development and Asset Management Consultancy ("AD and AMC") Division recorded higher revenue by RM22.0 million mainly due to additional consultancy projects secured and variation orders from the 4LW project. The higher revenue was partially offset by lower revenue recorded by the Property Division due to lower sales.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM126.2 million, as compared to RM79.9 million in the preceding quarter. This was mainly due to the higher revenue as explained above, coupled with the reversal of deferred consideration arising from the acquisition of Opus Stewart Weir ("Opus SW") by Opus International Consultants Limited ("Opus IC"). In addition, the Property Division recognized cost reversal from completed projects.

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

22. **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
	31/12/2014	**31/12/2013**			**31/12/2014**	**31/12/2013**		
	RM'000	RM'000 **(Restated)**	RM'000	%	RM'000	RM'000 **(Restated)**	RM'000	%
Revenue:								
Asset Development and Asset Management Consultancy	438,359	418,034	20,325	4.9	1,634,939	1,351,136	283,803	21.0
Integrated Facilities Management	197,287	189,120	8,167	4.3	673,315	653,881	19,434	3.0
Infrastructure Maintenance	263,358	222,716	40,642	18.2	762,244	660,250	101,994	15.4
Properties	5,395	7,503	(2,108)	(28.1)	18,789	34,385	(15,596)	(45.4)
Group	**904,399**	**837,373**	**67,026**	**8.0**	**3,089,287**	**2,699,652**	**389,635**	**14.4**
Profit Before Tax:								
Asset Development and Asset Management Consultancy	70,162	47,630	22,532	47.3	160,581	128,510	32,071	25.0
Integrated Facilities Management	19,583	39,660	(20,077)	(50.6)	78,144	112,118	(33,974)	(30.3)
Infrastructure Maintenance	38,923	34,366	4,557	13.3	101,697	81,517	20,180	24.8
Properties	5,438	4,669	769	16.5	5,920	8,818	(2,898)	(32.9)
Others/Elimination	(7,907)	(6,915)	(992)	(14.3)	(21,880)	(13,800)	(8,080)	(58.6)
Group	**126,199**	**119,410**	**6,789**	**5.7**	**324,462**	**317,163**	**7,299**	**2.3**

The Group's revenue for the current quarter of RM904.4 million was higher by RM67.0 million as compared to RM837.4 million in the corresponding quarter last year. The IM Division recorded higher revenue by RM40.6 million mainly due to higher road maintenance works and the 4LW project. The AD and AMC Division recorded higher revenue by RM20.3 million mainly due to additional consultancy projects secured. The IFM Division recorded higher revenue by RM8.2 million mainly due to higher reimbursable works at the government hospitals within FGB's concession area. The higher revenue was partially offset by lower revenue recorded by the Property Division due to lower sales.

The full year revenue of RM3,089.3 million was higher by RM389.6 million against RM2,699.7 million for the preceding year. The AD and AMC Division recorded higher revenue by RM283.8 million mainly due to the consolidation of the full year results of Opus SW, which contributed an increase in revenue by RM209 million. In addition, the strengthening of NZD against MYR contributed additional RM67 million to revenue. The IM Division recorded higher revenue by RM102.0 million mainly due to higher road maintenance works and the 4LW project. The IFM Division recorded higher revenue by RM19.4 million mainly due to higher variation orders and reimbursable works at the government hospitals within FGB's concession area. The higher revenue was partially offset by lower revenue recorded by the Property Division due to lower sales.

The Group's current quarter PBT of RM126.2 million was higher by RM6.8 million as compared to RM119.4 million in the corresponding quarter last year. Whilst for the year-to-date, PBT of RM324.5 million was higher by RM7.3 million. This was mainly due to higher revenue as explained above coupled with the reversal of deferred consideration arising from the acquisition of Opus SW by Opus IC.

The IFM Division recorded lower PBT mainly due to higher incineration and transportation costs incurred on management of clinical waste services. In addition, the Division recognized one-off proceeds from linen losses reimbursed by the Ministry of Health in the preceding year.

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

23. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		**(Restated)**
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	124,825	119,126	318,595	305,399
Adjusted tax	(31,206)	(29,782)	(79,649)	(76,350)
NOPAT	**93,619**	**89,344**	**238,946**	**229,049**
Economic charge computation:				
Average invested capital	1,176,685	1,106,032	1,176,685	1,106,032
Weighted average cost of capital ("WACC")	10.4%	11.2%	10.4%	11.2%
Economic charge	**30,594**	**30,969**	**122,375**	**123,876**
Economic profit	**63,025**	**58,375**	**116,571**	**105,173**

The EP statement is as prescribed under the Government Linked Companies transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

(a) Performance of the current quarter ended 31 December 2014 against the corresponding quarter last year :

EP of RM63.0 million is higher by RM4.6 million as compared to the preceding year corresponding quarter of RM58.4 million mainly due to higher EBIT and lower economic charge.

(b) Performance of the current year ended 31 December 2014 against last year :

EP of RM116.6 million is higher by RM11.4 million as compared to the preceding year corresponding period of RM105.2 million mainly due to higher EBIT and lower economic charge.

24. Prospects for the 2015 financial year

The outlook for 2015 is expected to be challenging in light of the low economic growth projected in countries where FGB currently operates.

However, the Group will continue its efforts in growing the business, to derive synergies from its integration and is cautiously optimistic of overcoming the challenges and sustaining performance in 2015.

25. Profit forecast

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

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

26. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit attributable to Owners of the Parent	73,300	78,301	202,386	190,430
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Basic earnings per share	9.01 sen	9.63 sen	24.88 sen	23.41 sen

The profit or loss reflects the results of the Group for the full year, irrespective of when the combination took place. In this regard, for the computation of earnings per share, the shares are assumed to have been issued since the earliest financial year presented.

By Order of the Board

Kuala Lumpur

27 February 2015

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