

FACB Industries Incorporated Berhad
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CONSOLIDATED INCOME STATEMENT

Quarterly Report On Consolidated Results For The Second Quarter Ended 31 December 1999

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/1999 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/1998 RM'000	CURRENT YEAR TO DATE 31/12/1999 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/1998 RM'000
1 (a) Turnover	57,017	N/A	107,899	86,124
(b) Investment income	-	N/A	-	-
(c) Other income including interest income	<u>481</u>	<u>N/A</u>	<u>802</u>	<u>1,117</u>
2 (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	7,499	N/A	12,984	8,180
(b) Interest on borrowings	(452)	N/A	(889)	(1,153)
(c) Depreciation and amortisation	(2,057)	N/A	(4,129)	(3,193)
(d) Exceptional items	-	N/A	-	-
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	<u>4,990</u>	<u>N/A</u>	<u>7,966</u>	<u>2,834</u>
(f) Share in the results of associated companies	<u>377</u>	<u>N/A</u>	<u>821</u>	<u>132</u>
(g) Profit/(loss) before taxation, minority interests and extraordinary items	<u>5,367</u>	<u>N/A</u>	<u>8,787</u>	<u>3,156</u>
(h) Taxation	<u>(798)</u>	<u>N/A</u>	<u>(1,297)</u>	<u>(197)</u>
(i) (i) Profit/(loss) after taxation before deducting minority interests	<u>4,569</u>	<u>N/A</u>	<u>7,490</u>	<u>3,459</u>
(ii) Less minority interests	<u>(1,289)</u>	<u>N/A</u>	<u>(2,181)</u>	<u>170</u>
(j) Profit/(loss) after taxation attributable to members of the company	<u>3,280</u>	<u>N/A</u>	<u>5,309</u>	<u>3,829</u>
(k) (i) Extraordinary items	-	N/A	-	-
(ii) Less minority interests	-	N/A	-	-
(iii) Extraordinary items attributable to members of the company	-	N/A	-	-
(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	<u>3,280</u>	<u>N/A</u>	<u>5,309</u>	<u>3,829</u>
3 (a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :-				
(i) Basic (based on 85,162,500 ordinary shares) (sen)	3.85	N/A	6.23	4.60
(ii) Fully diluted	N/A	N/A	N/A	N/A

FACB INDUSTRIES INCORPORATED BERHAD (48850-K)*Announcement of Unaudited Results for the second quarter ended 31 December 1999*

Page 2

CONSOLIDATED BALANCE SHEET**Quarterly Report On Consolidated Results For The Second Quarter Ended 31 December 1999**

	Unaudited	Audited
	AS AT END OF CURRENT QUARTER 31/12/1999 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/1999 RM'000
1 Fixed Assets	78,215	82,049
2 Land Held for Development	57,836	57,473
3 Investment in Associated Companies	10,866	10,219
4 Other Investments	60	60
5 Intangible Assets	244	250
6 Current Assets		
<i>Stocks</i>	67,729	57,288
<i>Trade Debtors</i>	47,936	37,412
<i>Other Debtors</i>	10,913	9,364
<i>Due from Associated Companies</i>	-	564
<i>Due from Affiliated Companies</i>	131	93
<i>Deposits with Licensed Financial Institutions</i>	34,033	33,910
<i>Cash and Bank Balances</i>	728	1,816
	<u>161,470</u>	<u>140,447</u>
7 Current Liabilities		
<i>Short Term Borrowings</i>	2,369	3,841
<i>Trade Creditors</i>	39,715	32,302
<i>Other Creditors</i>	26,694	20,074
<i>Provision for Taxation</i>	2,596	2,390
<i>Proposed Dividend</i>	-	852
	<u>71,374</u>	<u>59,459</u>
8 Net Current Assets	90,096	80,988
	<u>237,317</u>	<u>231,039</u>
9 Shareholders' Funds		
Share Capital	85,163	85,163
Reserves		
<i>Share Premium</i>	28,989	28,989
<i>Currency Fluctuation Reserves</i>	971	971
<i>Reserves of Subsidiaries incorporated in The People's Republic of China</i>	93	93
<i>Retained Profits</i>	41,807	36,498
	<u>157,023</u>	<u>151,714</u>
10 Minority Interests	33,645	31,464
11 Long Term Obligation	39,620	39,620
12 Long Term Borrowings	5,698	6,682
13 Hire-Purchase Creditors	178	406
14 Deferred Taxation	1,153	1,153
	<u>237,317</u>	<u>231,039</u>
15 Net tangible assets per share (RM)	1.84	1.78

FACB INDUSTRIES INCORPORATED BERHAD (48850-K)
Announcement of Unaudited Results for the second quarter ended 31 December 1999

Page 3

NOTES**1 Accounting Policies**

The quarterly financial statements have been prepared using the same accounting policies, method of computation and basis of consolidation consistent with those adopted in the Annual Report for the financial year ended 30 June 1999.

2 Exceptional Items

There were no exceptional items for the financial period under review.

3 Extraordinary Items

There were no extraordinary items for the financial period under review.

4 Taxation

	Second Quarter Current Year 31 December 1999 RM'000	Cumulative Quarter Current Year To Date 31 December 1999 RM'000
Taxation comprises :-		
Current taxation	708	1,123
Share of taxation in associated companies	90	174
Transfer to/(from) deferred taxation	-	-
Under/(over) provision in prior years	-	-
	798	1,297

5 Pre-acquisition Profits

There were no pre-acquisition profits or losses for the current financial period-to-date.

6 Profit on Sale of Investments and/or Properties

There were no profits or losses on any sale of investments and/or properties for the current financial period-to-date.

7 Quoted Securities

(a) There was no purchase nor disposal of quoted securities for the current financial period-to-date.

(b) Total investments in quoted shares as at 31 December 1999 were as follows :-

	RM'000
At cost	4
Provision for diminution in value	-
	4
At market value	2

8 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period-to-date.

9 Status of Corporate Proposals

Not applicable as there were no corporate proposals announced or pending completion as at the date of issue of this announcement.

FACB INDUSTRIES INCORPORATED BERHAD (48850-K)
Announcement of Unaudited Results for the second quarter ended 31 December 1999

Page 4

NOTES**10 Seasonal or Cyclical Factors**

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

11 Issuance and Repayment of Debt and Equity Securities

There were no issuance and 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-to-date.

12 Group Borrowings

The Group's borrowings as at 31 December 1999 were as follows :

	RM'000
(a) Long Term Bank Borrowings	
<u>Secured</u>	
Total outstanding balances	8,067
Less : Repayments due within the next 12 months	(2,369)
	<hr/>
Total	5,698
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(b) Short Term Bank Borrowings	
<u>Secured</u>	
Bank overdrafts	-
Current period of long term loan	2,369
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Total	2,369
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13 Contingent Liabilities

The contingent liabilities of the Company as at 15 February 2000 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are in respect of corporate guarantees for RM66.2 million extended in support of banking facilities of subsidiaries.

14 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

15 Material Litigation

The Group is not engaged in any material litigation as at the date of this report, except for :-

- (a) claims against debtors for outstanding balances totalling RM1.66 million; and
- (b) defence by Kanzen Tetsu Sdn Bhd, a subsidiary of FACB Industries Incorporated Berhad against an antidumping duty petition filed in the United States of America against stainless steel butt-weld pipe fittings manufacturers from Germany, Italy, Malaysia and the Philippines.

16 Segmental Reporting for the Current Financial Period-To-DateBy Geographical Location

	<u>Turnover</u>	<u>Profit Before</u>	<u>Assets</u>
	<u>RM'000</u>	<u>Taxation</u>	<u>Employed</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	97,198	8,324	299,031
The People's Republic of China	10,701	463	9,660
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	107,899	8,787	308,691
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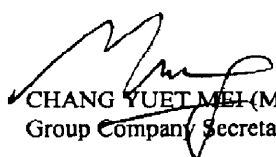
FACB INDUSTRIES INCORPORATED BERHAD (48850-K)
Announcement of Unaudited Results for the second quarter ended 31 December 1999

Page 5

NOTES

- 17 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**
Not applicable, since results of the preceding quarter were previously not required to be compiled for announcement.
- 18 Review of the Performance of the Company and its Principal Subsidiaries**
In the first half of the financial year, the Group registered a pre-tax profit of RM8.8 million, on the back of a turnover of RM107.9 million, representing an increase of 140% and 24% respectively over the pre-tax profit and turnover of RM3.7 million and RM86.9 million recorded in the previous corresponding period.
- The commendable performance of the Group was mainly attributed to its steel operations which had chalked up impressive profits in tandem with the increase in steel prices.
- In the opinion of the Directors, the results for the current financial period-to-date have not been affected by any transaction or event of a material or unusual nature which has arisen between 31 December 1999 and the date of this announcement.
- 19 Prospects for the Current Financial Year**
Barring unforeseen circumstances, the Directors expect the results of the second half of the financial year to remain satisfactory.
- 20 Variance of Actual Profit from Forecast Profit**
Not applicable.
- 21 Dividend**
The Board of Directors does not recommend the payment of an interim dividend.

By Order of the Board
FACB INDUSTRIES INCORPORATED BERHAD


CHANG YUET MEI (MAICSA 0781552)
Group Company Secretary

Kuala Lumpur
Date : 18 February 2000