



FACB INDUSTRIES INCORPORATED BERHAD (48850-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
For The First Quarter Ended 30 September 2009
(The figures have not been audited)

	Current Quarter Ended 30/09/2009 RM'000	Comparative Quarter Ended 30/09/2008 RM'000
Continuing Operations		
Revenue	52,325	107,410
Direct operating costs	(43,613)	(102,911)
Gross profit	8,712	4,499
Other operating income	884	6,092
Operating expenses	(5,916)	(9,351)
Finance costs	(497)	(1,632)
Share of associated companies results after tax	907	517
Profit before taxation	4,090	125
Taxation	(920)	1,317
Net profit for the quarter from continuing operations	3,170	1,442
Discontinued Operation		
Net profit for the quarter from a discontinued operation	-	161
Net profit for the quarter	3,170	1,603
Attributable to:		
Equity holders of the Company	2,782	1,865
Minority interest	388	(262)
	3,170	1,603
Earnings per share attributable to equity holders of the Company (sen):		
Basic, for profit from continuing operations	3.32	2.11
Basic, for profit from a discontinued operation	-	0.11
Basic, for profit for the quarter	3.32	2.22
Diluted	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

CONDENSED CONSOLIDATED BALANCE SHEETS
As At 30 September 2009

	Unaudited	Audited
	As At 30/09/2009 RM'000	As At 30/06/2009 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	49,858	50,815
Prepaid land lease payments	15,749	15,801
Capital work-in-progress	155	66
Investment in associated companies	17,755	16,849
Other investments	41	41
Deferred tax assets	6,888	7,372
Amount owing by a related party	19,873	19,873
	110,319	110,817
Current Assets		
Inventories	57,472	49,157
Trade and other receivables	57,841	57,321
Deposits, cash and bank balances	41,060	41,519
	156,373	147,997
Total Assets	266,692	258,814
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	87,563	84,639
Equity attributable to equity holders of the Company	172,726	169,802
Minority interest	24,417	24,029
Total equity	197,143	193,831
Non-Current Liabilities		
Long term borrowings	3,766	4,551
Deferred tax liabilities	2,067	1,880
	5,833	6,431
Current Liabilities		
Trade and other payables	21,588	18,898
Provision	4,383	6,300
Short term borrowings	37,141	32,834
Taxation	604	520
	63,716	58,552
Total liabilities	69,549	64,983
Total Equity and Liabilities	266,692	258,814
Net Assets per share (RM)	2.06	2.02

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
For The First Quarter Ended 30 September 2009

	Current Quarter Ended 30/09/2009 RM'000	Comparative Quarter Ended 30/09/2008 RM'000
Cash Flows from Operating Activities		
Profit before taxation from - Continuing operations	4,090	125
- Discontinued operation	-	201
Adjustments for :-		
Non-cash items	718	(985)
Non-operating items	(189)	1,356
Operating profit before working capital changes	<u>4,619</u>	<u>697</u>
Net changes in current assets	(8,500)	(22,118)
Net changes in current liabilities	931	(2,192)
Cash used in operations	<u>(2,950)</u>	<u>(23,613)</u>
Interest received	134	114
Income tax (paid)/refund	(225)	1,286
Interest paid	(434)	(1,655)
Net cash used in operating activities	<u>(3,475)</u>	<u>(23,868)</u>
Cash Flows from Investing Activities		
Other investments	(421)	(731)
Effect of disposal of a subsidiary company, net of cash disposed	-	2,109
Net cash (used in)/generated from investing activities	<u>(421)</u>	<u>1,378</u>
Cash Flows from Financing Activities		
Drawdown of borrowings	<u>3,522</u>	<u>21,808</u>
Net cash generated from financing activities	<u>3,522</u>	<u>21,808</u>
Net decrease in cash and cash equivalents	(374)	(682)
Effects of exchange rate changes	(85)	949
Cash and cash equivalents at beginning of the quarter	<u>41,519</u>	<u>27,880</u>
Cash and cash equivalents at end of the quarter	<u>41,060</u>	<u>28,147</u>
Cash and cash equivalents comprise :-		
Cash and bank balances	6,001	11,596
Deposits with licensed financial institutions	<u>35,059</u>	<u>16,551</u>
	<u>41,060</u>	<u>28,147</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The First Quarter Ended 30 September 2009

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity
	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Profits	Total		
In RM'000								
Balance at 30 June 2009	85,163	(1,225)	28,989	2,132	54,743	169,802	24,029	193,831
Changes in equity for current quarter								
Translation gain	-	-	-	142	-	142	-	142
Net profit for the quarter	-	-	-	-	2,782	2,782	388	3,170
Total income recognised for the quarter	-	-	-	142	2,782	2,924	388	3,312
Balance at 30 September 2009	85,163	(1,225)	28,989	2,274	57,525	172,726	24,417	197,143
Balance at 30 June 2008	85,163	(1,225)	28,989	2,523	92,753	208,203	28,194	236,397
Changes in equity for comparative quarter								
Translation (loss)/gain	-	-	-	(509)	-	(509)	124	(385)
Net profit/(loss) for the quarter	-	-	-	-	1,865	1,865	(262)	1,603
Total income/(expenses) recognised for the quarter	-	-	-	(509)	1,865	1,356	(138)	1,218
Disposal of a subsidiary company	-	-	-	-	-	-	(1,769)	(1,769)
Balance at 30 September 2008	85,163	(1,225)	28,989	2,014	94,618	209,559	26,287	235,846

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

NOTES (IN COMPLIANCE WITH FRS 134)**A1 Accounting Policies and Methods of Computation**

The quarterly report has been prepared in accordance with the Financial Reporting Standards (“FRS”) 134 on Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22, Appendix 9B Part A of Bursa Securities Main Market (“BSMM”) Listing Requirements.

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2009 except for the adoption of FRS 8 Operating Segments during the quarter ended 30 September 2009. The adoption of FRS 8 does not have significant financial impact on the Group.

A2 Seasonal or Cyclical Factors

The Group’s operations for the current quarter were not materially affected by any seasonal or cyclical factors.

A3 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter.

A4 Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts reported in the previous financial years which have a material effect in the current quarter.

A5 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 September 2009, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A6 Dividend Paid

No dividend was paid during the current quarter.

A7 Reportable Segments

	<u>Steel</u>	<u>Bedding</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM’000	RM’000	RM’000	RM’000	RM’000
For Current Quarter Ended 30 September 2009					
External revenue	39,060	9,322	3,943	-	52,325
Inter-segment revenue	-	-	20	(20)	-
Interest income	56	22	513	-	591
Interest expense	384	18	-	-	402
Depreciation and amortisation	1,176	143	17	-	1,336
Reportable segment profit					
before taxation	2,468	421	294	-	3,183
Share of associated companies					
profits after tax	-	-	907	-	907

NOTES (IN COMPLIANCE WITH FRS 134)**A7 Reportable segments (cont'd)**

	<u>Steel</u>	<u>Bedding</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
For Comparative Quarter Ended 30 September 2008					
External revenue	90,014	12,063	5,333	-	107,410
Inter-segment revenue	-	-	20	(20)	-
Interest income	28	28	58	-	114
Interest expense	1,443	-	27	-	1,470
Depreciation and amortisation	1,408	230	64	-	1,702
Reportable segment (loss)/profit before taxation	(6,287)	467	5,428	-	(392)
Share of associated companies profits after tax	-	-	517	-	517
Other material non-cash item: Write down of inventories	4,607	-	-	-	4,607

A8 Material Events Subsequent to the End of the Quarter under Review

There was no material event from the end of the quarter under review to 25 November 2009 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) that has not been reflected in the current quarter.

A9 Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A11 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 25 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM51 million (30 June 2009 : RM53 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B1 Review of Performance of the Company and its Principal Subsidiaries**

For the current quarter under review, the Group recorded a profit before taxation of RM4.09 million on the back of RM52.33 million in revenue, a significant improvement in profitability as compared to the same of RM0.13 million and RM107.41 million respectively in the preceding year comparative quarter.

The improved performance of the Group was mainly attributable to the higher gross profit margin achieved by the stainless and carbon steel divisions which benefited from the uptrend in global steel prices and encouraging domestic demand during the current quarter.

In the opinion of the Directors, the results for the current quarter have not been affected by any transaction or event of a material or unusual nature which has arisen between 30 September 2009 and the date of this announcement.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B2 Material Change in the Profit Before Taxation as compared with the Immediate Preceding Quarter**

The Group posted a profit before taxation of RM4.09 million for the current quarter as opposed to loss before taxation of RM3.35 million registered in the immediate preceding quarter ended 30 June 2009. Loss recorded in the immediate preceding quarter was due to the slow demand in steel market and provision for unrealised foreign exchange losses and impairment of assets totaled RM4.40 million.

B3 Current Year Prospects

Global market demand for steel has experienced a moderate improvement due to restocking exercise. Prices have increased due to higher metal prices. Based on the current positive operating environment with stable prices and generally healthy underlying demand, we expect to achieve satisfactory results in the current financial year.

B4 Achievability of Forecast Profit

This note is not applicable.

B5 Variance of Actual Profit from Forecast Profit or Profit Guarantee

This note is not applicable.

B6 Taxation

Taxation comprises the following:-

	Current Quarter Ended 30/09/2009 RM'000	Comparative Quarter Ended 30/09/2008 RM'000
Current tax expense	249	168
Deferred tax assets	484	(686)
Deferred tax liabilities	187	(799)
Tax expense/(credit)	<u>920</u>	<u>(1,317)</u>

The effective tax rate of the Group (excluding the share of associated companies results after tax) for the current quarter was higher than the statutory rate due principally to certain expenses not being deductible for tax purposes.

B7 Profit on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter.

B8 Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter.

B9 Status of Corporate Proposals

There was no outstanding corporate proposal that has been announced but not completed at the date of this quarterly report.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B10 Group Borrowings**

The Group's borrowings as at 30 September 2009 were as follows :-

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Long Term Borrowings			
Term loans	3,732	-	3,732
Hire purchase payable	34	-	34
	3,766	-	3,766
<u>Short Term Borrowings</u>			
Term loans	3,071	-	3,071
Hire purchase payable	21	-	21
Trade financing facilities	-	34,049	34,049
	3,092	34,049	37,141
Total	6,858	34,049	40,907

B11 Off Balance Sheet Financial Instruments

- (a) As at 25 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the Group has entered into the following outstanding foreign currency contracts to hedge its:-

Committed purchases in foreign currency

Currency	Contract Amounts ('000)	Equivalent Amount in Ringgit Malaysia ('000)	Expiry Dates
USD	3,000	10,287	03/12/2009 – 31/12/2009

Committed sales in foreign currencies

Currency	Contract Amounts ('000)	Equivalent Amount in Ringgit Malaysia ('000)	Expiry Dates
EURO	43	214	04/12/2009 – 11/12/2009
GBP	44	244	15/01/2010
USD	1,182	4,007	04/12/2009 – 05/03/2010
SGD	433	1,055	04/12/2009 – 12/03/2010

As these foreign currencies contracts are entered into to hedge the Group's purchases and sales in foreign currencies, the contracted rates will be used to convert the foreign currencies amounts into Ringgit Malaysia upon payment for imported raw materials and receipts of export proceeds.

As foreign currencies contracts are hedged with creditworthy financial institutions in line with the Group's policy, the Group does not foresee any significant credit and market risks.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B11 Off Balance Sheet Financial Instruments (cont'd)**

- (b) Structured foreign exchange contract entered into by the Group and outstanding as at 25 November 2009 is as follows :-

Description	Notional Amount	Effective Period
USD/MYR Sale Target Redemption Forward	USD10.0 million	December 2009 to April 2010

The above contracts were entered into as hedges for USD sales and to limit the exposure to potential changes in foreign exchange rate with respect to USD estimated receipts. The expected losses on structured foreign exchange contract are recognised as a provision.

B12 Changes in Material Litigation

The Group is not engaged in any material litigation as at the date of this report which will have a material effect on the financial position of the Group.

B13 Dividend

No dividend has been recommended by the Board of Directors in respect of the current quarter.

B14 Earnings per Share

The earnings per share (basic) for the current quarter and preceding year corresponding quarter are calculated by dividing the Group's net profit for the quarter attributable to equity holders of the Company with the weighted average number of shares in issue (excluding treasury shares) of 83,882,800.

	<u>Current Quarter</u> <u>Ended 30/09/2009</u> RM'000	<u>Comparative Quarter</u> <u>Ended 30/09/2008</u> RM'000
Net profit attributable to equity holders of the Company from:-		
continuing operations	2,782	1,768
discontinued operation	-	97
	2,782	1,865

B15 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2009 was not qualified.

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)
Group Company Secretary

Kuala Lumpur
Date : 25 November 2009