



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
For The Third Quarter Ended 31 March 2010
(The figures have not been audited)

	Current Quarter Ended 31/03/2010 RM'000	Comparative Quarter Ended 31/03/2009 RM'000	9 Months Cumulative To Date 31/03/2010 RM'000	9 Months Cumulative To Date 31/03/2009 RM'000
Continuing Operations				
Revenue	53,797	65,278	160,263	264,828
Direct operating costs	(46,204)	(56,300)	(135,423)	(294,037)
Gross profit/(loss)	7,593	8,978	24,840	(29,209)
Other operating income	2,095	1,579	4,619	9,077
Operating expenses	(6,279)	(6,021)	(18,641)	(27,948)
Finance costs	(541)	(939)	(1,567)	(4,099)
Share of associated companies results after tax	961	802	2,739	1,711
Profit/(Loss) before taxation	3,829	4,399	11,990	(50,468)
Taxation	(2,370)	(777)	(4,401)	14,435
Net profit/(loss) for the period from continuing operations	1,459	3,622	7,589	(36,033)
Discontinued Operation				
Net profit for the period from a discontinued operation	-	-	-	161
Net profit/(loss) for the period	1,459	3,622	7,589	(35,872)
Attributable to:				
Equity holders of the Company	918	3,366	6,080	(34,526)
Minority interest	541	256	1,509	(1,346)
	1,459	3,622	7,589	(35,872)
Earnings/(Loss) per share attributable to equity holders of the Company (sen):				
Basic, for profit/(loss) from continuing operations	1.09	4.01	7.25	(41.28)
Basic, for profit from a discontinued operation	-	-	-	0.12
Basic, for profit/(loss) for the period	1.09	4.01	7.25	(41.16)
Diluted	N/A	N/A	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 31 March 2010

	Unaudited As At 31/03/2010 RM'000	Audited As At 30/06/2009 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	44,913	50,815
Prepaid land lease payments	15,644	15,801
Capital work-in-progress	58	66
Investment in associated companies	17,600	16,849
Other investments	41	41
Deferred tax assets	6,266	7,372
Amount owing by a related party	13,373	19,873
	97,895	110,817
Current Assets		
Inventories	77,163	49,157
Trade and other receivables	64,195	57,321
Deposits, cash and bank balances	38,006	41,519
	179,364	147,997
Total Assets	277,259	258,814
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	91,543	84,639
Equity attributable to equity holders of the Company	176,706	169,802
Minority interest	25,538	24,029
Total equity	202,244	193,831
Non-Current Liabilities		
Long term borrowings	1,579	4,551
Deferred tax liabilities	2,516	1,880
	4,095	6,431
Current Liabilities		
Trade and other payables	17,487	18,898
Provision	327	6,300
Short term borrowings	52,383	32,834
Taxation	723	520
	70,920	58,552
Total liabilities	75,015	64,983
Total Equity and Liabilities	277,259	258,814
Net Assets per share (RM)	2.11	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 Period Ended 31 March 2010***(The figures have not been audited)*

	9 Month Period Ended 31/03/2010 RM'000	9 Month Period Ended 31/03/2009 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation from - Continuing operations	11,990	(50,468)
- Discontinued operation	-	201
Adjustments for :-		
Non-cash items	588	43,085
Non-operating items	(675)	2,449
Operating profit/(loss) before working capital changes	11,903	(4,733)
Net changes in current assets	(27,393)	106,413
Net changes in current liabilities	(6,135)	(12,872)
Cash (used in)/generated from operations	(21,625)	88,808
Interest received	423	422
Income tax paid	(893)	(786)
Interest paid	(1,223)	(3,910)
Net cash (used in)/generated from operating activities	(23,318)	84,534
Cash Flows from Investing Activities		
Equity investment	673	642
Other investments	2,567	(989)
Effect of disposal of a subsidiary company, net of cash disposed	-	2,109
Net cash generated from investing activities	3,240	1,762
Cash Flows from Financing Activities		
Drawdown/(repayment) of borrowings	16,577	(65,186)
Dividends paid	-	(1,258)
Net cash generated from/(used in) financing activities	16,577	(66,444)
Net (decrease)/increase in cash and cash equivalents	(3,501)	19,852
Effects of exchange rate changes	(12)	1,227
Cash and cash equivalents at beginning of the period	41,519	27,880
Cash and cash equivalents at end of the period	38,006	48,959
Cash and cash equivalents comprise :-		
Cash and bank balances	14,647	9,493
Deposits with licensed financial institutions	23,359	39,466
	38,006	48,959

(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 Period Ended 31 March 2010***(The figures have not been audited)*

	← 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 period								
Translation gain	-	-	-	824	-	824	-	824
Transfer	-	-	-	10	(10)	-	-	-
Net profit for the period	-	-	-	-	6,080	6,080	1,509	7,589
Total income recognised for the period	-	-	-	834	6,070	6,904	1,509	8,413
Balance at 31 March 2010	85,163	(1,225)	28,989	2,966	60,813	176,706	25,538	202,244
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 period								
Translation (loss)/gain	-	-	-	(810)	-	(810)	438	(372)
Transfer	-	-	-	16	(16)	-	-	-
Net loss for the period	-	-	-	-	(34,526)	(34,526)	(1,346)	(35,872)
Total expenses recognised for the period	-	-	-	(794)	(34,542)	(35,336)	(908)	(36,244)
Dividends	-	-	-	-	(1,258)	(1,258)	-	(1,258)
Disposal of a subsidiary company	-	-	-	-	-	-	(1,769)	(1,769)
Balance at 31 March 2009	85,163	(1,225)	28,989	1,729	56,953	171,609	25,517	197,126

(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 for financial year beginning 1 July 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 and financial year-to-date 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 and financial year-to-date.

A4 Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts reported in the previous interim periods of the current financial year or changes in estimates of amounts reported in the previous financial years which have a material effect in the current quarter or the current financial year-to-date.

A5 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter and financial year-to-date. As at 31 March 2010, 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 and financial year-to-date.

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
<u>For Current 9-Month Period Ended 31 March 2010</u>					
External revenue	117,421	29,953	12,889	-	160,263
Inter-segment revenue	-	-	62	(62)	-
Interest income	138	80	1,753	-	1,971
Interest expense	1,242	-	54	-	1,296
Depreciation and amortisation	3,449	419	50	-	3,918
Reportable segment profit before taxation	6,649	2,108	494	-	9,251
Share of associated companies profits after tax	-	-	2,739	-	2,739
Other material non-cash item:					
Allowance for doubtful debts	-	179	-	-	179
Reversal of provision	1,300	-	-	-	1,300

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
<u>For Comparative 9-Month Period Ended 31 March 2009</u>					
External revenue	217,249	35,336	12,243	-	264,828
Inter-segment revenue	-	-	62	(62)	-
Interest income	133	80	1,104	-	1,317
Interest expense	3,694	-	73	-	3,767
Depreciation and amortisation	4,245	505	-	-	4,750
Reportable segment (loss)/profit before taxation	(60,561)	1,252	7,130	-	(52,179)
Share of associated companies profits after tax	-	-	1,711	-	1,711
Other material non-cash item:					
Write down of inventories	43,954	-	-	-	43,954
Allowance for doubtful debts	-	171	-	-	171
Gain on disposal of a subsidiary	-	-	5,042	-	5,042

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

There was no material event from the end of the period under review to 21 May 2010 (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 and financial year-to-date.

A9 Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A11 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 21 May 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM58 million (30 June 2009 : RM53 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

A12 Significant Event

On 8 December 2009, FACB Industries Incorporated Berhad ("FACBII") announced that, in relation to the Proposed Disposal of its 60% equity interest in Beribu Ukiran Sdn Bhd to Karambunai Corp Bhd, Dapan Holdings Sdn Bhd ("DHSB") had requested the Second Payment of RM6,500,000 which was due on 6 October 2009 to be made on 6 October 2010. Subject to the terms of the Proposed Novation which provides for the additional 1.5% per annum interest payable by DHSB calculated on monthly rest basis on the outstanding amount owing to FACBII for late payment up to the date of settlement, FACBII agrees to DHSB's request. For purposes of clarity, the interest chargeable shall thus be 8.25% per annum.

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 RM3.83 million on the back of RM53.80 million in revenue compared to the same of RM4.40 million and RM65.28 million respectively reported in the preceding year comparative quarter.

The lower revenue was mainly due to the lower selling price and sales volume from the stainless steel division. The recent volatile stainless steel price movement had caused some uncertainty in the market demand. Carbon steel business reported better sales prices and volume.

For the nine month period ended 31 March 2010, the Group registered a profit before taxation of RM11.99 million on the back of RM160.26 million in revenue as opposed to a loss before taxation of RM50.47 million and revenue of RM264.83 million in the comparative period of previous year.

The favourable result was attributable to the higher profit margin achieved in the steel division which benefited from the gradual recovery in global market sentiment. Performance in the comparative year was adversely affected by inventory loss write-down as a result of the collapse in global steel prices.

In the opinion of the Directors, the results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material or unusual nature which has arisen between 31 March 2010 and the date of this announcement.

B2 Material Change in the Profit Before Taxation as compared with the Immediate Preceding Quarter

There were no material changes in the current results compared to the results of the immediate preceding quarter.

B3 Current Year Prospects

Based on the current positive business environment with continuous improvement in steel consumption and increasing steel prices, we expect to achieve a better result for financial year ending 30 June 2010.

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.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B6 Taxation**

Taxation comprises the following:-

	Current Quarter Ended <u>31/03/2010</u> RM'000	Comparative Quarter Ended <u>31/03/2009</u> RM'000	9 Months Cumulative To Date <u>31/03/2010</u> RM'000	9 Months Cumulative To Date <u>31/03/2009</u> RM'000
Current tax expense	311	253	1,197	664
(Over)/Underprovision in prior year	3	(63)	3	(63)
Deferred tax assets	301	333	1,106	(9,628)
Deferred tax liabilities	294	254	634	(5,408)
Tax credit overstated in prior year	1,461	-	1,461	-
Tax expense/(credit)	<u>2,370</u>	<u>777</u>	<u>4,401</u>	<u>(14,435)</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 tax credit overstated in prior year and 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 and financial year-to-date.

B8 Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

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.

B10 Group Borrowings

The Group's borrowings as at 31 March 2010 were as follows :-

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Long Term Borrowings</u>			
Term loans	1,555	-	1,555
Hire purchase payable	24	-	24
	<u>1,579</u>	<u>-</u>	<u>1,579</u>
<u>Short Term Borrowings</u>			
Term loans	1,950	-	1,950
Hire purchase payable	21	-	21
Trade financing facilities	-	50,412	50,412
	<u>1,971</u>	<u>50,412</u>	<u>52,383</u>
Total	<u>3,550</u>	<u>50,412</u>	<u>53,962</u>

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B11 Off Balance Sheet Financial Instruments**

As at 21 May 2010 (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 purchase in foreign currency

Currency	Contract Amounts ('000)	Equivalent Amount in Ringgit Malaysia ('000)	Expiry Dates
USD	553	1,783	25/06/2010

Committed sales in foreign currencies

Currency	Contract Amounts ('000)	Equivalent Amount in Ringgit Malaysia ('000)	Expiry Dates
USD	1,201	3,953	01/06/2010 – 20/08/2010
SGD	621	1,457	01/06/2010 – 13/09/2010
GBP	138	677	30/07/2010 – 03/09/2010
EURO	21	98	30/06/2010

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.

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 and financial year-to-date.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B14 Earnings/(Loss) per Share**

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

	Current Quarter Ended <u>31/03/2010</u> RM'000	Comparative Quarter Ended <u>31/03/2009</u> RM'000	9 Months Cumulative To Date <u>31/03/2010</u> RM'000	9 Months Cumulative To Date <u>31/03/2009</u> RM'000
Net profit/(loss) attributable to equity holders of the Company from:-				
Continuing operations	918	3,366	6,080	(34,623)
discontinued operation	-	-	-	97
	<u>918</u>	<u>3,366</u>	<u>6,080</u>	<u>(34,526)</u>

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 : 26 May 2010