



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
For The Fourth Quarter Ended 30 June 2010
(The figures have not been audited)

			Audited	
	Current Quarter Ended 30/06/2010 RM'000	Comparative Quarter Ended 30/06/2009 RM'000	Current Year Ended 30/06/2010 RM'000	Comparative Year Ended 30/06/2009 RM'000
Continuing Operations				
Revenue	57,831	55,724	218,094	320,552
Direct operating costs	(48,930)	(48,173)	(184,353)	(342,210)
Gross profit/(loss)	8,901	7,551	33,741	(21,658)
Other operating income	2,728	875	7,347	9,952
Operating expenses	(6,662)	(11,487)	(25,303)	(39,435)
Finance costs	(610)	(576)	(2,177)	(4,675)
Share of associated companies results after tax	488	290	3,227	2,001
Profit/(Loss) before taxation	4,845	(3,347)	16,835	(53,815)
Taxation	1,131	667	(3,270)	15,102
Net profit/(loss) for the period from continuing operations	5,976	(2,680)	13,565	(38,713)
Discontinued Operation				
Net profit for the period from a discontinued operation	-	-	-	161
Net profit/(loss) for the period	5,976	(2,680)	13,565	(38,552)
Attributable to:				
Equity holders of the Company	4,777	(2,197)	10,857	(36,723)
Minority interest	1,199	(483)	2,708	(1,829)
	5,976	(2,680)	13,565	(38,552)
Earnings/(Loss) per share attributable to equity holders of the Company (sen):				
Basic, for profit/(loss) from continuing operations	5.69	2.62	12.94	(43.89)
Basic, for profit from a discontinued operation	-	-	-	0.11
Basic, for profit/(loss) for the period	5.69	2.62	12.94	(43.78)
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 30 June 2010

	Unaudited As At 30/06/2010 RM'000	Audited As At 30/06/2009 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	44,973	50,815
Prepaid land lease payments	15,593	15,801
Capital work-in-progress	14	66
Investment in associated companies	17,957	16,849
Other investments	41	41
Deferred tax assets	7,747	7,372
Amount owing by a related party	13,373	19,873
	99,698	110,817
Current Assets		
Inventories	73,447	49,157
Trade and other receivables	63,010	57,321
Deposits, cash and bank balances	37,908	41,519
	174,365	147,997
Total Assets	274,063	258,814
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	96,347	84,639
Equity attributable to equity holders of the Company	181,510	169,802
Minority interest	18,723	24,029
Total equity	200,233	193,831
Non-Current Liabilities		
Long term borrowings	1,063	4,551
Deferred tax liabilities	2,664	1,880
	3,727	6,431
Current Liabilities		
Trade and other payables	22,294	18,898
Provision	-	6,300
Short term borrowings	47,025	32,834
Taxation	784	520
	70,103	58,552
Total liabilities	73,830	64,983
Total Equity and Liabilities	274,063	258,814
Net Assets per share (RM)	2.16	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 Year Ended 30 June 2010

	Unaudited Current Year Ended 30/06/2010 RM'000	Audited Comparative Year Ended 30/06/2009 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation from - Continuing operations	16,835	(53,815)
- Discontinued operation	-	201
Adjustments for :-		
Non-cash items	(442)	46,928
Non-operating items	(870)	2,360
Operating profit/(loss) before working capital changes	15,523	(4,326)
Net changes in current assets	(25,958)	120,244
Net changes in current liabilities	(1,277)	(16,046)
Cash (used in)/generated from operations	(11,712)	99,872
Interest received	575	560
Income tax refund/(paid)	2,831	(1,125)
Interest paid	(1,750)	(4,624)
Net cash (used in)/generated from operating activities	(10,056)	94,683
Cash Flows from Investing Activities		
Equity investment	(1,118)	581
Other investments	1,951	(1,413)
Effect of disposal of a subsidiary company, net of cash disposed	-	2,109
Net cash generated from investing activities	833	1,277
Cash Flows from Financing Activities		
Drawdown/(repayment) of borrowings	10,703	(80,761)
Dividends paid	-	(1,258)
Dividends paid to minority shareholders by subsidiary companies	(4,821)	(998)
Net cash generated from/(used in) financing activities	5,882	(83,017)
Net (decrease)/increase in cash and cash equivalents	(3,341)	12,943
Effects of exchange rate changes	(270)	696
Cash and cash equivalents at beginning of the year	41,519	27,880
Cash and cash equivalents at end of the year	37,908	41,519
Cash and cash equivalents comprise :-		
Cash and bank balances	9,100	6,687
Deposits with licensed financial institutions	28,808	34,832
	37,908	41,519

(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 Year Ended 30 June 2010***(The figures have not been audited)*

	← Attributable to Equity Holders of the Parent →					Total	Minority Interest	Total Equity
	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Profits			
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 year								
Translation gain	-	-	-	851	-	851	-	851
Transfer	-	-	-	30	(30)	-	-	-
Net profit for the year	-	-	-	-	10,857	10,857	2,708	13,565
Total income recognised for the year	-	-	-	881	10,827	11,708	2,708	14,416
Dividend	-	-	-	-	-	-	(4,821)	(4,821)
Acquisition of minority interest	-	-	-	-	-	-	(3,193)	(3,193)
Balance at 30 June 2010 (unaudited)	85,163	(1,225)	28,989	3,013	65,570	181,510	18,723	200,233
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 year								
Translation (loss)/gain	-	-	-	(420)	-	(420)	431	11
Transfer	-	-	-	29	(29)	-	-	-
Net loss for the year	-	-	-	-	(36,723)	(36,723)	(1,829)	(38,552)
Total expenses recognised for the year	-	-	-	(391)	(36,752)	(37,143)	(1,398)	(38,541)
Dividends	-	-	-	-	(1,258)	(1,258)	(998)	(2,256)
Disposal of a subsidiary company	-	-	-	-	-	-	(1,769)	(1,769)
Balance at 30 June 2009 (audited)	85,163	(1,225)	28,989	2,132	54,743	169,802	24,029	193,831

(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.

At the date of authorisation of these financial statements, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

FRSs and Interpretations		For financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-base Payment	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010/ 1 March 2010

NOTES (IN COMPLIANCE WITH FRS 134)

A1 Accounting Policies and Methods of Computation (cont'd)		For financial periods beginning on or after
		1 July 2010
Amendments to FRS 138	Intangible Assets	
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"		1 January 2010
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010

By virtue of the exemption in FRS 4, 7 and 139, the impact of applying the respective FRSs on these financial statements upon their first adoption is not disclosed.

The adoption of the other FRSs and Interpretations is not expected to have any significant impact on the results and financial position of the Group upon their initial application, except for FRS 101, FRS 117 and FRS 127.

FRS 101 Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. All non-owner changes in equity are required to be shown in a statement of comprehensive income which can be presented as a single statement or two link statements. The Group is currently evaluating the format to adopt. This standard will only impact the form and content of the presentation in the financial statements in the next financial year.

Amendments to FRS 117 Leases

The amendments remove the specific guidance on classifying leasehold land as operating lease. As such, leases of land will be classified as either finance or operating lease based on the general principle of FRS 117. Consequently, upon initial application, leasehold land where in substance a finance lease will be classified from "prepaid land lease payments" to "property, plant and equipment" and measured as such retrospectively.

NOTES (IN COMPLIANCE WITH FRS 134)**A1 Accounting Policies and Methods of Computation (cont'd)*****FRS 127 Consolidated and Separate Financial Statements***

The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority shareholders to be absorbed by minority shareholders instead of by the parent. The Group will apply the changes of revised FRS 127 prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

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 ended 30 June 2010.

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 ended 30 June 2010.

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 30 June 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 ended 30 June 2010.

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 Year Ended 30 June 2010</u>					
External revenue	160,212	40,037	17,845	-	218,094
Inter-segment revenue	-	-	82	(82)	-
Interest income	164	96	2,413	-	2,673
Interest expense	1,732	-	71	-	1,803
Depreciation and amortisation	4,601	544	67	-	5,212
Reportable segment profit before taxation	8,308	4,130	1,170	-	13,608
Share of associated companies profits after tax	-	-	3,227	-	3,227
Other material non-cash item:					
Reversal of provision	1,523	-	-	-	1,523

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 Year Ended 30 June 2009</u>					
External revenue	257,536	47,062	15,954	-	320,552
Inter-segment revenue	-	-	82	(82)	-
Interest income	188	99	1,609	-	1,896
Interest expense	4,166	-	91	-	4,257
Depreciation and amortisation	5,616	712	90	-	6,418
Reportable segment (loss)/profit before taxation	(64,699)	2,190	6,693	-	(55,816)
Share of associated companies profits after tax	-	-	2,001	-	2,001
Other material non-cash item:					
Allowance for doubtful debts	358	462	-	-	820
Gain on disposal of a subsidiary	-	-	5,042	-	5,042
Net loss on foreign exchange	9,457	30	(1,313)	-	8,174
Provision for losses on structured Foreign exchange	3,282	-	-	-	3,282
Write down of inventories	43,955	361	-	-	44,316

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 20 August 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 ended 30 June 2010.

A9 Effect of Changes in the Composition of the Group

On 12 July 2010, FACB Industries Incorporated Berhad via its wholly-owned subsidiary, Kanzen Tetsu Sdn Bhd ("KTSB") had acquired the remaining 30% equity interest in Kanzen Stainless Processors Sdn Bhd ("KSP") for a cash consideration of RM2.414 million from ArcelorMittal Stainless International S.A.. The cash consideration was arrived at on a willing seller and willing buyer basis after taking into consideration the net assets of KSP. The said acquisition has resulted in a negative goodwill amounting to RM0.779 million.

KSP operates steel service centre at the existing KTSB's plant in Shah Alam, Malaysia. With the said acquisition, KTSB now have full control on the business direction of KSP.

Save for the above, there were no changes in the composition of the Group during the current quarter and financial year ended 30 June 2010.

A11 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 20 August 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM59 million (30 June 2009 : RM53 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

NOTES (IN COMPLIANCE WITH FRS 134)**A12 Other 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 and interest 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**

- (a) For the current quarter under review, the Group recorded a profit before taxation of RM4.85 million on the back of RM57.83 million in revenue as opposed to a loss before taxation of RM3.35 million and revenue of RM55.72 million reported in the preceding year comparative quarter.
- (b) The higher revenue was mainly due to the improved selling price from the stainless steel division and better margin derived from bedding division. Loss recorded in the comparative quarter was attributable to the sluggish underlying demand for steel products and provision for unrealised foreign exchange losses and assets impairment amounted to RM4.40 million.
- (c) For the financial year ended 30 June 2010, the Group registered a profit before taxation of RM16.84 million on the back of RM218.09 million in revenue as opposed to a loss before taxation of RM53.82 million and revenue of RM320.55 million in the previous year.
- (d) The favourable result was attributable to the higher profit margin achieved in the steel division, bedding division and China operations, which benefited from the gradual recovery in global economy. 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 ended 30 June 2010 have not been affected by any transaction or event of a material or unusual nature which has arisen between 30 June 2010 and the date of this announcement.

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

For the current quarter under review, the Group posted a profit before taxation of RM4.85 million, representing an increase of 27% compared with RM3.83 million recorded in the immediate preceding quarter ended 31 March 2010. The improved result was achieved through better margin attained by its bedding division.

ADDITIONAL INFORMATION REQUIRED BY BSMM LISTING REQUIREMENTS**B3 Prospects of Next Financial Year**

The Group anticipates that the operating environment for the coming financial year will remain challenging. The Group will strive to further improve its efficiency and expand its markets while remaining cautious about the pace of economic recovery.

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 <u>30/06/2010</u> RM'000	Comparative Quarter Ended <u>30/06/2009</u> RM'000	Current Year Ended <u>30/06/2010</u> RM'000	Comparative Year Ended <u>30/06/2009</u> RM'000
Current tax expense	755	(5,348)	1,952	(4,684)
(Over)/Underprovision in prior year	(555)	58	(552)	(5)
Deferred tax assets	(1,481)	3,706	(375)	(5,922)
Deferred tax liabilities	150	917	784	(4,491)
Tax credit overstated in prior year	-	-	1,461	-
Tax (credit)/expense	<u>(1,131)</u>	<u>(667)</u>	<u>3,270</u>	<u>(15,102)</u>

The effective tax rate of the Group (excluding the share of associated companies' results after tax) for the current financial year ended 30 June 2010 was lower than the statutory rate due principally to tax overprovision in prior years.

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 ended 30 June 2010.

B8 Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial year ended 30 June 2010.

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 June 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	1,045	-	1,045
Hire purchase payable	18	-	18
	1,063	-	1,063
<u>Short Term Borrowings</u>			
Term loans	1,985	-	1,985
Hire purchase payable	21	-	21
Trade financing facilities	-	45,019	45,019
	2,006	45,019	47,025
Total	3,069	45,019	48,088

B11 Off Balance Sheet Financial Instruments

As at 20 August 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 sales in foreign currencies

Currency	Contract Amounts ('000)	Equivalent Amount in Ringgit Malaysia ('000)	Expiry Dates
GBP	147	730	03/09/2010 – 08/12/2010
EURO	20	84	17/09/2010 – 10/12/2010
USD	1,651	5,307	08/09/2010 – 17/12/2010
SGD	526	1,226	13/09/2010 – 30/12/2010

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 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

The Board of Directors recommends a 4% gross final dividend per share less 25% taxation for the financial year ended 30 June 2010 which will be subject to the approval by shareholders at the forthcoming Annual General Meeting.

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 ended 30 June 2010 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>30/06/2010</u> RM'000	Comparative Quarter Ended <u>30/06/2009</u> RM'000	Current Year Ended <u>30/06/2010</u> RM'000	Comparative Year Ended <u>30/06/2009</u> RM'000
Net profit/(loss) attributable to equity holders of the Company from:-				
continuing operations	4,777	(2,197)	10,857	(36,820)
discontinued operation	-	-	-	97
	<u>4,777</u>	<u>(2,197)</u>	<u>10,857</u>	<u>(36,723)</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 : 25 August 2010