



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Third Quarter Ended 31 March 2011
(The figures have not been audited)

	Current Quarter Ended 31/03/2011 RM'000	Comparative Quarter Ended 31/03/2010 RM'000	9 Months Cumulative To Date 31/03/2011 RM'000	9 Months Cumulative To Date 31/03/2010 RM'000
Revenue	62,419	53,797	177,699	160,263
Direct operating costs	(55,149)	(46,204)	(163,062)	(135,423)
Gross profit	7,270	7,593	14,637	24,840
Other operating income	1,121	2,095	3,081	4,619
Operating expenses	(6,109)	(6,279)	(18,462)	(18,641)
Finance costs	(571)	(541)	(1,912)	(1,567)
Share of associated companies results after tax	287	961	864	2,739
Profit/(Loss) before taxation	1,998	3,829	(1,792)	11,990
Taxation	(663)	(2,370)	183	(4,401)
Net profit/(loss) for the period	1,335	1,459	(1,609)	7,589
Other comprehensive income/(loss)				
Translation of foreign operations	197	502	(86)	824
Total comprehensive income/(loss) for the period	1,532	1,961	(1,695)	8,413
Profit/(Loss) attributable to:				
Owners of the parent	950	918	(3,137)	6,080
Non-controlling interests	385	541	1,528	1,509
	1,335	1,459	(1,609)	7,589
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,147	1,420	(2,828)	6,904
Non-controlling interests	385	541	1,133	1,509
	1,532	1,961	(1,695)	8,413
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent (sen):				
Basic	1.13	1.09	(3.74)	7.25
Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2011

	Unaudited As At 31/03/2011 RM'000	Audited As At 30/06/2010 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	57,456	60,550
Capital work-in-progress	184	14
Investment in associated companies	16,475	17,860
Available-for-sale investments	41	41
Deferred tax assets	8,693	7,719
Amount owing by a related party	-	13,373
	82,849	99,557
Current Assets		
Inventories	78,285	73,448
Trade and other receivables	82,818	64,336
Derivative assets	12	-
Deposits, cash and bank balances	17,529	37,914
	178,644	175,698
Total Assets	261,493	275,255
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	90,920	96,254
Equity attributable to owners of the parent	176,083	181,417
Non-controlling interests	19,848	18,740
Total Equity	195,931	200,157
Non-Current Liabilities		
Long term borrowing	2	1,063
Deferred tax liabilities	2,244	2,622
	2,246	3,685
Current Liabilities		
Trade and other payables	16,540	23,727
Short term borrowings	46,196	47,025
Taxation	580	661
	63,316	71,413
Total Liabilities	65,562	75,098
Total Equity and Liabilities	261,493	275,255
Net Assets per share (RM)	2.10	2.16

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 31 March 2011***(The figures have not been audited)*

	← Attributable to Owners of the Parent →					Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
Balance at 30 June 2010								
As previously reported	85,163	(1,225)	28,989	3,013	65,477	181,417	18,740	200,157
Effects of adopting FRS 139	-	-	-	-	10	10	-	10
As restated	85,163	(1,225)	28,989	3,013	65,487	181,427	18,740	200,167
Total comprehensive income/(loss) for the period	-	-	-	309	(3,137)	(2,828)	1,133	(1,695)
Transfer to statutory reserve fund	-	-	-	10	(10)	-	-	-
Dividends	-	-	-	-	(2,516)	(2,516)	(25)	(2,541)
Balance at 31 March 2011	85,163	(1,225)	28,989	3,332	59,824	176,083	19,848	195,931
Balance at 30 June 2009	85,163	(1,225)	28,989	2,132	54,743	169,802	24,029	193,831
Total comprehensive income for the period	-	-	-	824	6,080	6,904	1,509	8,413
Transfer to statutory reserve fund	-	-	-	10	(10)	-	-	-
Balance at 31 March 2010	85,163	(1,225)	28,989	2,966	60,813	176,706	25,538	202,244

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The Period Ended 31 March 2011***(The figures have not been audited)*

	9 Month Period Ended 31/03/2011 RM'000	9 Month Period Ended 31/03/2010 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(1,792)	11,990
Adjustments for :-		
Non-cash items	3,926	588
Non-operating items	(484)	(675)
Operating profit before working capital changes	1,650	11,903
Net changes in current assets	(6,386)	(27,393)
Net changes in current liabilities	(7,634)	(6,135)
Cash used in operations	(12,370)	(21,625)
Interest received	516	423
Income tax paid	(1,644)	(893)
Interest paid	(1,657)	(1,223)
Net cash used in operating activities	(15,155)	(23,318)
Cash Flows from Investing Activities		
Equity investments	564	673
Other investments	(914)	2,567
Net cash (used in)/generated from investing activities	(350)	3,240
Cash Flows from Financing Activities		
(Repayment)/Drawdown of borrowings	(1,890)	16,577
Dividends paid	(2,516)	-
Net cash (used in)/generated from financing activities	(4,406)	16,577
Net decrease in cash and cash equivalents	(19,911)	(3,501)
Effects of exchange rate changes	(474)	(12)
Cash and cash equivalents at beginning of the period	37,914	41,519
Cash and cash equivalents at end of the period	17,529	38,006
Cash and cash equivalents comprise :-		
Cash and bank balances	5,913	14,647
Deposits with licensed financial institutions	11,616	23,359
	17,529	38,006

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

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 2010 except for the following new and revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs and IC Interpretations which are applicable to its financial statements:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
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
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:-

FRS 7 Financial Instruments: Disclosures

This standard requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements.

NOTES (IN COMPLIANCE WITH FRS 134)**A1 Accounting Policies and Methods of Computation (cont'd)*****FRS 101 Presentation of Financial Statements***

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as to total comprehensive income. There is no impact on the results of the Group since these changes affect only the presentation of items of income and expense. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard.

The effects on the comparatives to the Group on adoption of FRS 101 are as follows:-

	Income Statement As previously <u>reported</u> RM'000	Effects of Adopting <u>FRS 101</u> RM'000	Statement of Comprehensive Income <u>As restated</u> RM'000
For the period ended 31 March 2010			
Net profit for the period	7,589	-	7,589
Other comprehensive income			
- Translation of foreign operations	-	824	<u>824</u>
Total comprehensive income for the period			<u>8,413</u>
Total comprehensive income attributable to:			
Owners of the parent	-		6,904
Non-controlling interests	-		<u>1,509</u>
			<u>8,413</u>

Amendments to FRS 117 Leases

This amendment removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The Group has reassessed and reclassified the leasehold land to property, plant and equipment.

As a result of the reclassification, the comparative amounts have been restated as follows:-

	Previously <u>stated</u> RM'000	Effects of <u>reclassification</u> RM'000	<u>Restated</u> RM'000
Balance as at 30 June 2010			
Prepaid land lease payments	15,593	(15,593)	-
Property, plant and equipment	44,957	15,593	60,550

The adoption of Amendments to FRS 117 does not have any impact to the financial results of the Group for the current period and preceding year comparative period.

NOTES (IN COMPLIANCE WITH FRS 134)**A1 Accounting Policies and Methods of Computation (cont'd)*****FRS 139 Financial Instruments: Recognition and Measurement***

FRS 139 sets out the new requirements of the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurements at the statement of financial position date reflect the designation of the financial instruments. The Group determines the classification at initial recognition.

Financial assets are classified as financial assets at fair value through profit or loss accounts, loans and receivables or available-for-sale, as appropriate. The Group's financial assets include cash, short term deposits, loans and receivables.

Financial liabilities are classified as financial liabilities at fair value through profit or loss accounts or loans and borrowing, as appropriate. The Group's financial liabilities include trade and other payables.

In accordance with FRS 139, the recognition, derecognition and measurement are applied prospectively. The effects of the remeasurement on 1 July 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits as disclosed in the statement of changes in equity.

The adoption of the above new policies has the following effects to the Group:-

	<u>Retained Profits</u> RM'000
Balance as at 30 June 2010	
Balance Sheet, as previously reported	65,477
Adjustment arising from adoption of FRS 139 :	
- recognition of derivatives previously not recognised	<u>10</u>
Statement of Financial Position, as restated	<u>65,487</u>

	<u>Previously stated</u> RM'000	<u>Effects of adopting FRS 139</u> RM'000	<u>Restated</u> RM'000
Balance as at 30 June 2010			
Other investments	41	(41)	-
Available-for-sale investments	-	41	41

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no material effect to the Group's consolidated financial statements of the period or the comparative consolidated financial statements of the previous financial year.

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.

NOTES (IN COMPLIANCE WITH FRS 134)**A4 Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts reported in the previous interim period of the current financial year or changes in estimate 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 2011, 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

During the quarter ended 31 March 2011, a final dividend of 4% per share less 25% taxation amounting to RM2,516,484 in respect of financial year ended 30 June 2010 was paid on 26 January 2011.

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 9-Month Period Ended 31 March 2011					
External revenue	132,693	30,891	14,115	-	177,699
Inter-segment revenue	-	-	62	(62)	-
Interest income	79	54	1,995	-	2,128
Interest expense	1,596	-	48	-	1,644
Depreciation	3,299	379	45	-	3,723
Reportable segment (loss)/profit before taxation	(5,416)	2,075	685	-	(2,656)
Share of associated companies profits after tax	-	-	864	-	864
For Comparative 9-Month Period Ended 31 March 2010					
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	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)**A8 Material Events Subsequent to the End of the Period under Review**

There was no material event from the end of the quarter under review to 20 May 2011 (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.

A10 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 20 May 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM61 million (30 June 2010 : RM68 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

A11 Other Event

On 7 October 2010, FACB Industries Incorporated Berhad ("FACBII") announced that, in relation to the Proposed Disposal of its 60% equity interest in Beribu Ukiran Sdn Bhd ("BUSB") to Karambunai Corp Bhd ("KCB") and Proposed Novation to Dapan Holdings Sdn Bhd ("DHSB"), a subsidiary of KCB, of the amount due and owing by BUSB to FACBII, DHSB had requested for the payment of RM16,956,007 due on 6 October 2010 be made by 6 October 2011 as DHSB's property launches had been delayed due to economic slowdown and softer property market condition. 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 registered a profit before taxation of RM2.00 million achieved on the back of RM62.42 million in revenue comparing to the same of RM3.83 million and RM53.80 million respectively reported in the preceding year comparative quarter. The underlying demand for steel products has improved since the beginning of 2011 which contributed to the higher revenue. The lower profit was largely due to higher raw material costs.

For the nine month period ended 31 March 2011, the Group reported a loss before taxation of RM1.79 million as opposed to profit before taxation of RM11.99 million in the preceding year comparative period. Revenue rose by 11% to RM177.70 million largely due to higher sales volume and some increase in selling price. Rising raw material cost, especially in the first half of the financial year, eroded gross profit margin which resulted in the loss for the current period.

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 31 March 2011 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 recorded a profit before taxation of RM2.00 million for the current quarter as opposed to a loss before taxation of RM1.89 million in the preceding quarter. The improved result was mainly attributable to the better margin and higher sales volume from its steel division.

B3 Current Year Prospects

A stable global economic growth and an initiation of infrastructure and development projects by Malaysian government will bring positive impacts to the profitability of the Group. The Group will focus on expanding its business networks and improving margins although it may encounter the challenges from the rising prices of raw materials.

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>31/03/2011</u> RM'000	Comparative Quarter Ended <u>31/03/2010</u> RM'000	9 Months Cumulative To Date <u>31/03/2011</u> RM'000	9 Months Cumulative To Date <u>31/03/2010</u> RM'000
Current tax expense	328	311	1,169	1,197
Underprovision in prior year	-	3	-	3
Deferred tax assets	188	301	(974)	1,106
Deferred tax liabilities	147	294	(378)	634
Tax credit overstated in prior year	-	1,461	-	1,461
Tax expense/(credit)	<u>663</u>	<u>2,370</u>	<u>(183)</u>	<u>4,401</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 and financial year-to-date.

B8 Quoted Securities

There was no purchase or disposal of quoted securities during 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.

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

The Group's borrowings as at 31 March 2011 were as follows :-

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Long Term Borrowing</u>			
Hire purchase payable	2	-	2
<u>Short Term Borrowings</u>			
Term loan	1,555	-	1,555
Hire purchase payable	21	-	21
Trade financing facilities	-	44,620	44,620
	<u>1,576</u>	<u>44,620</u>	<u>46,196</u>
Total	<u>1,578</u>	<u>44,620</u>	<u>46,198</u>

B11 Derivative Financial Instruments

As at 31 March 2011, the Group has the following outstanding derivative financial instruments:-

<u>Type of Derivatives</u>	<u>Notional</u> <u>Amount</u> RM'000	<u>Fair</u> <u>Value</u> RM'000	<u>Fair Value</u> <u>Net Gain</u> RM'000
Currency forward contracts - less than 1 year	<u>4,591</u>	<u>4,579</u>	<u>12</u>

The Group has entered into the above foreign currency forward contracts to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities.

The fair values of foreign currency forward contracts are determined by reference to the difference between the contracted rate and forward exchange rate as at the statement of financial position date applied to a contract of similar quantum and maturity profile.

The above foreign currency forward contracts were transacted with creditworthy financial institutions in Malaysia. The Group is of the view that the credit risk of non-performance by the financial institutions in these instruments is minimal.

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 interim 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 owners of the parent with the weighted average number of shares in issue (excluding treasury shares) of 83,882,800.

	Current Quarter Ended <u>31/03/2011</u> RM'000	Comparative Quarter Ended <u>31/03/2010</u> RM'000	9 Months Cumulative To Date <u>31/03/2011</u> RM'000	9 Months Cumulative To Date <u>31/03/2010</u> RM'000
Net profit/(loss) attributable owners of the parent	950	918	(3,137)	6,080

B15 Realised and Unrealised Retained Profits

	As at <u>31/03/2011</u> RM'000	As at <u>31/12/2010</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	54,613	54,540
- Unrealised	5,435	5,742
	60,048	60,282
Total share of retained profits from associated companies		
- Realised	1,871	3,213
- Unrealised	-	-
	61,919	63,495
Consolidation adjustments	(2,095)	(2,095)
Total Group retained profits as per unaudited consolidated financial statements	59,824	61,400

B16 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2010 was not qualified.

By Order of the Board
FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)
Group Company Secretary

Kuala Lumpur
Date : 25 May 2011