



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Fourth Quarter Ended 30 June 2011
(The figures have not been audited)

			Audited	
	Current Quarter Ended 30/06/2011 RM'000	Comparative Quarter Ended 30/06/2010 RM'000	Current Year Ended 30/06/2011 RM'000	Comparative Year Ended 30/06/2010 RM'000
Revenue	74,700	57,831	252,399	218,094
Direct operating costs	(69,434)	(49,154)	(232,496)	(184,577)
Gross profit	5,266	8,677	19,903	33,517
Other operating income	1,189	2,878	4,270	7,497
Operating expenses	(8,898)	(6,578)	(27,360)	(25,219)
Finance costs	(609)	(610)	(2,521)	(2,177)
Share of associated companies results after tax	219	391	1,083	3,130
(Loss)/Profit before taxation	(2,833)	4,758	(4,625)	16,748
Taxation	132	1,143	315	(3,258)
Net (loss)/profit for the period/year	(2,701)	5,901	(4,310)	13,490
Other comprehensive (loss)/income				
Translation of foreign operations	3	26	(83)	850
Total comprehensive (loss)/income for the period/year	(2,698)	5,927	(4,393)	14,340
(Loss)/Profit attributable to:				
Owners of the parent	(3,700)	4,684	(6,837)	10,764
Non-controlling interests	999	1,217	2,527	2,726
	(2,701)	5,901	(4,310)	13,490
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(3,697)	4,710	(6,525)	11,614
Non-controlling interests	999	1,217	2,132	2,726
	(2,698)	5,927	(4,393)	14,340
(Loss)/Earnings per share for (loss)/profit attributable to owners of the parent (sen):				
Basic	(4.41)	5.58	(8.15)	12.83
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 30 June 2011

	Unaudited As At 30/06/2011 RM'000	Audited As At 30/06/2010 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	56,658	60,550
Capital work-in-progress	1,020	14
Investment in associated companies	14,803	17,860
Available-for-sale investments	41	41
Deferred tax assets	9,287	7,719
Amount owing by a related party	-	13,373
	81,809	99,557
Current Assets		
Inventories	81,734	73,448
Trade and other receivables	84,942	64,336
Deposits, cash and bank balances	14,686	37,914
	181,362	175,698
Total Assets	263,171	275,255
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	87,221	96,253
Equity attributable to owners of the parent	172,384	181,416
Non-controlling interests	19,175	18,741
Total Equity	191,559	200,157
Non-Current Liabilities		
Long term borrowing	-	1,063
Deferred tax liabilities	2,454	2,622
	2,454	3,685
Current Liabilities		
Trade and other payables	19,628	23,727
Derivative liabilities	73	-
Short term borrowings	48,896	47,025
Taxation	561	661
	69,158	71,413
Total Liabilities	71,612	75,098
Total Equity and Liabilities	263,171	275,255
Net Assets per share (RM)	2.06	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 Year Ended 30 June 2011**

	← Attributable to Owners of the Parent →					Non- controlling Interests	Total Equity	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			Total RM'000
Balance at 30 June 2010								
As previously reported	85,163	(1,225)	28,989	3,012	65,477	181,416	18,741	200,157
Effects of adopting FRS 139	-	-	-	-	10	10	-	10
As restated	85,163	(1,225)	28,989	3,012	65,487	181,426	18,741	200,167
Total comprehensive (loss)/income for the year	-	-	-	312	(6,837)	(6,525)	2,132	(4,393)
Transfer to statutory reserve fund	-	-	-	13	(13)	-	-	-
Dividends	-	-	-	-	(2,517)	(2,517)	(1,698)	(4,215)
Balance at 30 June 2011 (unaudited)	85,163	(1,225)	28,989	3,337	56,120	172,384	19,175	191,559
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 year	-	-	-	850	10,764	11,614	2,726	14,340
Transfer to statutory reserve fund	-	-	-	30	(30)	-	-	-
Dividends	-	-	-	-	-	-	(4,821)	(4,821)
Acquisition of shares from non-controlling interest	-	-	-	-	-	-	(3,193)	(3,193)
Balance at 30 June 2010 (audited)	85,163	(1,225)	28,989	3,012	65,477	181,416	18,741	200,157

(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 Year Ended 30 June 2011

	Unaudited Current Year Ended 30/06/2011 RM'000	Audited Comparative Year Ended 30/06/2010 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(4,625)	16,748
Adjustments for :-		
Non-cash items	9,190	(467)
Non-operating items	(590)	(871)
Operating profit before working capital changes	3,975	15,410
Net changes in current assets	(13,669)	(27,175)
Net changes in current liabilities	(4,608)	55
Cash used in operations	(14,302)	(11,710)
Interest received	595	577
Income tax (paid)/refund	(1,879)	2,869
Interest paid	(2,160)	(1,804)
Net cash used in operating activities	(17,746)	(10,068)
Cash Flows from Investing Activities		
Equity investments	564	(1,118)
Other investments	(2,185)	1,970
Net cash (used in)/generated from investing activities	(1,621)	852
Cash Flows from Financing Activities		
Drawdown of borrowings	808	10,703
Dividends paid	(2,517)	-
Dividends paid to non-controlling shareholders by a subsidiary company	(1,673)	(4,821)
Net cash (used in)/generated from financing activities	(3,382)	5,882
Net decrease in cash and cash equivalents	(22,749)	(3,334)
Effects of exchange rate changes	(479)	(271)
Cash and cash equivalents at beginning of the year	37,914	41,519
Cash and cash equivalents at end of the year	14,686	37,914
Cash and cash equivalents comprise :-		
Cash and bank balances	4,162	9,106
Deposits with licensed financial institutions	10,524	28,808
	14,686	37,914

(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, IC Interpretations and Technical Releases (“TR”) which are adopted to its financial statements:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 3	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
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 2	Share-based Payment
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132	Financial Instruments: Presentation
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
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 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

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, TR and Amendments are set out below:-

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

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 year ended 30 June 2010			
Net profit for the year	13,490	-	13,490
Other comprehensive income			
- Translation of foreign operations	-	850	850
Total comprehensive income for the year			<u>14,340</u>
Total comprehensive income attributable to:			
Owners of the parent	-		11,614
Non-controlling interests	-		<u>2,726</u>
			<u>14,340</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 financial year and comparative financial year.

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 current financial year 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 ended 30 June 2011.

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 ended 30 June 2011.

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 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

- (a) No dividend was paid during the current quarter.
 (b) Total net dividend paid during the current financial year ended 30 June 2011 was 4% per share less 25% taxation amounting to RM2,516,484 in respect of 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
For Current Year					
Ended 30 June 2011					
External revenue	189,096	44,710	18,593	-	252,399
Inter-segment revenue	-	-	82	(82)	-
Interest income	92	73	2,585	-	2,750
Interest expense	2,096	-	64	-	2,160
Depreciation	4,399	508	60	-	4,967
Reportable segment (loss)/profit before taxation	(8,462)	3,994	(1,240)	-	(5,708)
Share of associated companies profits after tax	-	-	1,083	-	1,083
Other material non-cash item:					
Impairment of investment	-	-	1,891	-	1,891
Receivable written off	-	-	424	-	424
Write down of inventories	1,714	-	-	-	1,714
For Comparative Year					
Ended 30 June 2010					
External revenue	160,212	40,037	17,845	-	218,094
Inter-segment revenue	-	-	82	(82)	-
Interest income	166	96	2,413	-	2,675
Interest expense	1,733	-	71	-	1,804
Depreciation	4,602	544	67	-	5,213
Reportable segment profit before taxation	8,307	4,130	1,181	-	13,618
Share of associated companies profits after tax	-	-	3,130	-	3,130
Other material non-cash item:					
Reversal of provision	1,523	-	-	-	1,523

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 22 August 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 ended 30 June 2011.

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 ended 30 June 2011.

A10 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 22 August 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM62 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 posted a loss before taxation of RM2.83 million on the back of RM74.70 million in revenue against a profit before taxation of RM4.76 million and RM57.83 million reported in the preceding year comparative quarter. The loss was attributable to increasingly higher raw material and energy costs which had eroded the profit margin. The Group made write down of inventories amounted to RM1.71 million in addition to an impairment of investment and receivable written off in an associated company amounted to RM2.32 million during the current quarter.

As a result, the Group incurred a loss before taxation of RM4.63 million for the financial year ended 30 June 2011 as opposed to profit before taxation of RM16.75 million in the preceding year. Revenue rose by 16% to RM252.40 million largely due to the improvement in sales volume and some increase in selling price in steel division. The Group performance was adversely affected by rising raw material cost which eroded its profit margin in addition to the write down of inventories and impairment made in respect of investment in an associated company.

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 June 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 loss before taxation of RM2.83 million for the current quarter as opposed to a profit before taxation of RM2.00 million in the preceding quarter. The loss was mainly due to lower profit margin, write down of inventories and impairment loss made in respect of an associated company.

B3 Prospects of Next Financial Year

Moving forward, the demand for steel products would be resilient as massive supply of steel would need to support for the infrastructure and development projects initiatives. The Group will remain focus on expanding its business networks and improving margins amidst rising raw material prices and competitive market environment.

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>30/06/2011</u> RM'000	Comparative Quarter Ended <u>30/06/2010</u> RM'000	Current Year Ended <u>30/06/2011</u> RM'000	Comparative Year Ended <u>30/06/2010</u> RM'000
Current tax expense	261	781	1,430	1,978
Overprovision in prior year	(9)	(579)	(9)	(576)
Deferred tax assets	(594)	(1,453)	(1,568)	(347)
Deferred tax liabilities	210	108	(168)	742
Tax credit overstated in prior year	-	-	-	1,461
Tax (credit)/expense	<u>(132)</u>	<u>(1,143)</u>	<u>(315)</u>	<u>3,258</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 2011 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 ended 30 June 2011.

B8 Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year ended 30 June 2011.

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 2011 were as follows :-

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Short Term Borrowings</u>			
Term loan	1,046	-	1,046
Hire purchase payable	18	-	18
Trade financing facilities	-	47,832	47,832
	<u>1,064</u>	<u>47,832</u>	<u>48,896</u>
Total	<u>1,064</u>	<u>47,832</u>	<u>48,896</u>

B11 Derivative Financial Instruments

As at 30 June 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 Loss</u> RM'000
Currency forward contracts - less than 1 year	<u>11,975</u>	<u>12,048</u>	<u>73</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 dividend has been recommended by the Board of Directors in respect of the current quarter and financial year ended 30 June 2011.

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

The (loss)/earnings per share (basic) for the current quarter and financial year ended 30 June 2011 are calculated by dividing the Group's net (loss)/profit 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>30/06/2011</u> RM'000	Comparative Quarter Ended <u>30/06/2010</u> RM'000	Current Year Ended <u>30/06/2011</u> RM'000	Comparative Year Ended <u>30/06/2010</u> RM'000
Net (loss)/profit attributable owners of the parent	(3,700)	4,684	(6,837)	10,764

B15 Realised and Unrealised Retained Profits

	As at <u>30/06/2011</u> RM'000	As at <u>31/03/2011</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	52,162	54,613
- Unrealised	4,691	5,435
	<u>56,853</u>	<u>60,048</u>
Total share of retained profits from associated companies		
- Realised	1,384	1,871
- Unrealised	-	-
	<u>1,384</u>	<u>1,871</u>
Consolidation adjustments	(2,117)	(2,095)
Total Group retained profits as per unaudited consolidated financial statements	<u>56,120</u>	<u>59,824</u>

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 : 26 August 2011