



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

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

	Current Quarter Ended 30/09/2011 RM'000	Comparative Quarter Ended 30/09/2010 RM'000
Revenue	63,016	56,459
Direct operating costs	(56,615)	(52,436)
Gross profit	6,401	4,023
Other operating income	1,918	973
Operating expenses	(6,614)	(6,717)
Finance costs	(735)	(673)
Share of results of associated companies	598	493
Profit/(Loss) before taxation	1,568	(1,901)
Taxation	(165)	374
Net profit/(loss) for the quarter	1,403	(1,527)
Other comprehensive income		
Exchange differences on translation of foreign operations	(480)	(297)
Total comprehensive income for the quarter	923	(1,824)
Profit/(Loss) attributable to:		
Owners of the parent	963	(1,966)
Non-controlling interests	440	439
	1,403	(1,527)
Total comprehensive income attributable to:		
Owners of the parent	483	(1,868)
Non-controlling interests	440	44
	923	(1,824)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent (sen):		
Basic	1.15	(2.34)
Diluted	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 2011)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 September 2011

	Unaudited	Audited
	As At	As At
	30/09/2011	30/06/2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	56,665	56,658
Capital work-in-progress	12	1,020
Investment in associated companies	15,378	14,780
Available-for-sale investments	41	41
Deferred tax assets	9,277	9,254
	<u>81,373</u>	<u>81,753</u>
Current Assets		
Inventories	82,438	81,734
Trade and other receivables	80,710	86,097
Derivative assets	7	-
Deposits, cash and bank balances	21,474	14,688
	<u>184,629</u>	<u>182,519</u>
Total Assets	<u><u>266,002</u></u>	<u><u>264,272</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Reserves	87,751	87,268
Equity attributable to owners of the parent	<u>172,914</u>	<u>172,431</u>
Non-controlling interests	19,765	19,325
Total equity	<u>192,679</u>	<u>191,756</u>
Non-Current Liability		
Deferred tax liabilities	2,186	2,315
	<u>2,186</u>	<u>2,315</u>
Current Liabilities		
Trade and other payables	17,775	20,706
Derivative liabilities	237	73
Short term borrowings	52,712	48,896
Tax liabilities	413	526
	<u>71,137</u>	<u>70,201</u>
Total liabilities	<u>73,323</u>	<u>72,516</u>
Total Equity and Liabilities	<u><u>266,002</u></u>	<u><u>264,272</u></u>
Net Assets per share (RM)	2.06	2.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 September 2011

(The figures have not been audited)

	← Attributable to Owners of the Parent →					Total	Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Profits			
In RM'000								
Balance at 30 June 2011	85,163	(1,225)	28,989	3,337	56,167	172,431	19,325	191,756
Net profit for the quarter	-	-	-	-	963	963	440	1,403
Other comprehensive income	-	-	-	(480)	-	(480)	-	(480)
Total comprehensive income for the quarter	-	-	-	(480)	963	483	440	923
Balance at 30 September 2011	85,163	(1,225)	28,989	2,857	57,130	172,914	19,765	192,679
Balance at 30 June 2010	85,163	(1,225)	28,989	3,013	65,477	181,417	18,740	200,157
Effect 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
Net (loss)/profit for the quarter	-	-	-	-	(1,966)	(1,966)	439	(1,527)
Other comprehensive income	-	-	-	98	-	98	(395)	(297)
Total comprehensive income for the quarter	-	-	-	98	(1,966)	(1,868)	44	(1,824)
Balance at 30 September 2010	85,163	(1,225)	28,989	3,111	63,521	179,559	18,784	198,343

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The First Quarter Ended 30 September 2011***(The figures have not been audited)*

	Current Quarter Ended 30/09/2011 RM'000	Comparative Quarter Ended 30/09/2010 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	1,568	(1,901)
Adjustments for :-		
Non-cash items	(67)	1,677
Non-operating items	23	(151)
Operating profit/(loss) before working capital changes	1,524	(375)
Net changes in current assets	4,819	(1,836)
Net changes in current liabilities	(2,931)	(9,751)
Cash from/(used in) operations	3,412	(11,962)
Interest received	78	187
Income tax paid	(486)	(628)
Interest paid	(646)	(586)
Net cash from/(used in) operating activities	2,358	(12,989)
Cash Flows from Investing Activities		
Equity investments	620	564
Other investments	(268)	(220)
Net cash from investing activities	352	344
Cash Flows from Financing Activity		
Drawdown of borrowings, representing net cash from financing activity	3,816	8,275
Net increase/(decrease) in cash and cash equivalents	6,526	(4,370)
Effects of exchange rate changes	260	(381)
Cash and cash equivalents at beginning of the quarter	14,688	37,914
Cash and cash equivalents at end of the quarter	21,474	33,163
Cash and cash equivalents comprise :-		
Cash and bank balances	9,340	2,927
Deposits with licensed financial institutions	12,134	30,236
	21,474	33,163

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011)

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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

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 2011 except for the following:-

- (i) Adoption of New and Revised FRSs, Amendments to FRSs, Issues Committee (“IC”) Interpretations and Technical Release (“TR”)

FRSs and Interpretations	For financial periods beginning on or after
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
TR 3 Guidance on Disclosures of Transition to IFRSs	31 December 2010

- (ii) New and revised FRS issued but are not yet effective for the Group’s current quarter report

FRS	For financial period beginning on or after
FRS 124 Related Party Disclosures (Revised)	1 January 2012

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR is not expected to have any significant impact on the results and financial performance and position of the Group upon their initial application.

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.

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 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 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

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 2011					
External revenue	48,164	10,461	4,391	-	63,016
Inter-segment revenue	-	-	20	(20)	-
Interest income	11	14	598	-	623
Interest expense	630	-	16	-	646
Depreciation	1,120	132	17	-	1,269
Reportable segment (loss)/profit before taxation	(682)	405	1,247	-	970
Share of results of associated companies	-	60	538	-	598
For Comparative Quarter					
Ended 30 September 2010					
External revenue	43,267	8,939	4,253	-	56,459
Inter-segment revenue	-	-	20	(20)	-
Interest income	28	17	700	-	745
Interest expense	578	-	16	-	594
Depreciation	1,076	126	15	-	1,217
Reportable segment (loss)/profit before taxation	(2,511)	410	(293)	-	(2,394)
Share of results of associated companies	-	(100)	593	-	493

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 18 November 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.

NOTES (IN COMPLIANCE WITH FRS 134)**A9 Effect of Changes in the Composition of the Group**

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

A10 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 18 November 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM68 million (30 June 2011 : RM65 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

A11 Other Event

On 7 October 2011, FACB Industries Incorporated Berhad ("FACBII") announced that in relation to the settlement by Dapan Holdings Sdn Bhd ("DHSB"), a subsidiary of Karambunai Corp Bhd ("KCB"), of the sum of RM32,505,193 due on 6 October 2011, KCB and DHSB are currently in discussion and joint consultation with FACBII to vary the terms of the settlement. Further details will be announced once the terms of the settlement proposal have been finalised and the relevant approvals (including shareholders' approval) will be sought in due course.

ADDITIONAL INFORMATION REQUIRED BY BMSB MAIN MARKET 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 RM1.57 million on the back of RM63.02 million in revenue as opposed to a loss before taxation of RM1.90 million and revenue of RM56.46 million reported in the preceding year comparative quarter.

Higher sales volume and prices from the steel division contributed to the higher revenue. The positive results compared to comparative quarter was largely due to better gross profit margin.

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 2011 and the date of this announcement.

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

The Group reported profit before taxation of RM1.57 million for the current quarter against loss before taxation of RM2.86 million registered in the immediate preceding quarter ended 30 June 2011. The loss recorded in the immediate preceding quarter was due to lower profit margin, inventories written down and impairment loss made in respect of an associated company.

B3 Current Year Prospects

The uncertain global economy and the financial instability in the euro area led to weaker steel markets. Market conditions will remain challenging for the remaining quarters of the financial year ending 30 June 2012. Concerted efforts will be made to improve financial performance in every part of the Group.

ADDITIONAL INFORMATION REQUIRED BY BMSB MAIN MARKET LISTING REQUIREMENTS**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>30/09/2011</u> RM'000	Comparative Quarter Ended <u>30/09/2010</u> RM'000
<u>Current tax</u>		
Current year - Malaysia	282	247
- Foreign	35	25
<u>Deferred tax</u>		
Reversal of temporary differences	(152)	(646)
Tax expense/(credit)	<u>165</u>	<u>(374)</u>

The effective tax rate of the Group (excluding the share of results of associated companies) for the current quarter was lower than the statutory rate due principally to certain income which is not subject to tax.

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 during 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.

B10 Group Borrowings

The Group's borrowings as at 30 September 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	527	-	527
Finance lease payable	13	-	13
Trade financing facilities	-	52,172	52,172
	<u>540</u>	<u>52,172</u>	<u>52,712</u>
Total	<u>540</u>	<u>52,172</u>	<u>52,712</u>

ADDITIONAL INFORMATION REQUIRED BY BMSB MAIN MARKET LISTING REQUIREMENTS**B11 Derivative Financial Instruments**

As at 30 September 2011, the Group has the following outstanding derivative financial instruments:-

<u>Type of Derivatives</u>	<u>Notional Amount</u> RM'000	<u>Fair Value</u> RM'000	<u>Fair Value Net Loss</u> RM'000
Currency forward contracts - less than 1 year	11,377	11,607	230

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.

B14 Earnings/(Loss) per Share

The earnings/(loss) per share (basic) for the current quarter and preceding year corresponding quarter are calculated by dividing the Group's net profit/(loss) for the quarter attributable to owners of the parent of RM0.96 million and RM(1.97) million with the weighted average number of shares in issue (excluding treasury shares) of 83,882,800.

B15 Realised and Unrealised Profits or Losses

	<u>As at 30/09/2011</u> RM'000	<u>As at 30/06/2011</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	51,496	52,222
- Unrealised	5,793	4,701
	<u>57,289</u>	<u>56,923</u>
Total share of retained profits from associated companies		
- Realised	1,958	1,361
- Unrealised	-	-
	<u>59,247</u>	<u>58,284</u>
Consolidation adjustments	(2,117)	(2,117)
Total Group retained profits as per unaudited consolidated financial statements	<u>57,130</u>	<u>56,167</u>

ADDITIONAL INFORMATION REQUIRED BY BMSB MAIN MARKET LISTING REQUIREMENTS

B16 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2011 was not qualified.

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 23 November 2011