



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Fourth Quarter Ended 30 June 2013

(The figures have not been audited)

	Restated		Restated	
	Current Quarter Ended 30/06/2013 RM'000	Comparative Quarter Ended 30/06/2012 RM'000	Current Year Ended 30/06/2013 RM'000	Comparative Year Ended 30/06/2012 RM'000
Continuing Operations				
Revenue	13,309	13,446	42,066	71,892
Direct operating costs	(9,399)	(9,988)	(27,689)	(60,412)
Gross profit	3,910	3,458	14,377	11,480
Other operating income	9,716	3,760	13,900	6,470
Operating expenses	(6,804)	(3,616)	(18,489)	(14,607)
Finance costs	(3)	(21)	(13)	(287)
Share of results of associates	1,120	136	4,167	1,618
Profit before taxation	7,939	3,717	13,942	4,674
Taxation	(1,209)	(3,019)	(5,897)	(2,850)
Net profit for the quarter/year from continuing operations	6,730	698	8,045	1,824
Discontinued Operations				
Loss from discontinued operations, net of tax (Note A12)	(912)	(12,804)	(15,042)	(14,648)
Net profit/(loss) for the quarter/year	5,818	(12,106)	(6,997)	(12,824)
Other comprehensive income				
Exchange differences on translation of foreign operations	855	3,216	851	2,916
Total comprehensive income for the quarter/year	6,673	(8,890)	(6,146)	(9,908)
Profit/(Loss) attributable to:				
Owners of the parent	5,931	(13,414)	(7,848)	(15,922)
Non-controlling interests	(113)	1,308	851	3,098
	5,818	(12,106)	(6,997)	(12,824)
Total comprehensive income attributable to:				
Owners of the parent	6,400	(11,650)	(7,383)	(14,458)
Non-controlling interests	273	2,760	1,237	4,550
	6,673	(8,890)	(6,146)	(9,908)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent (sen):				
From continuing operations	7.66	(0.70)	7.18	(1.26)
From discontinued operations	(0.59)	(15.29)	(16.54)	(17.72)
	7.07	(15.99)	(9.36)	(18.98)
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 2012)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 June 2013

	Unaudited As At 30/06/2013 RM'000	Restated As At 30/06/2012 RM'000	Restated As At 01/07/2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	7,734	52,191	56,658
Capital work-in-progress	124	-	1,020
Associates	20,032	17,696	14,780
Available-for-sale investments	41	41	41
Deferred tax assets	1,000	2,657	10,932
	28,931	72,585	83,431
Current Assets			
Inventories	17,610	60,430	81,734
Trade and other receivables	54,218	76,652	86,097
Deposits, cash and bank balances	59,931	25,112	14,688
	131,759	162,194	182,519
Asset classified as held for sale (Note A12)	35,029	-	-
	166,788	162,194	182,519
Total Assets	195,719	234,779	265,950
EQUITY AND LIABILITIES			
Equity			
Share capital	85,163	85,163	85,163
Share premium	28,989	28,989	28,989
Treasury shares	(1,225)	(1,225)	(1,225)
Other reserves	5,486	4,831	3,337
Retained earnings	35,963	43,814	59,766
Equity attributable to owners of the parent	154,376	161,572	176,030
Non-controlling interests	15,247	22,656	19,548
Total equity	169,623	184,228	195,578
Non-Current Liability			
Deferred tax liabilities	163	197	171
	163	197	171
Current Liabilities			
Trade and other payables	23,548	18,634	20,706
Derivative liabilities	-	99	73
Bank borrowings	-	31,180	48,896
Tax liabilities	976	441	526
	24,524	50,354	70,201
Liability classified as held for sale (Note A12)	1,409	-	-
	25,933	50,354	70,201
Total liabilities	26,096	50,551	70,372
Total Equity and Liabilities	195,719	234,779	265,950
Net Assets per share (RM)	1.84	1.93	2.10

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Year Ended 30 June 2013***(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 Earnings			
In RM'000								
Balance at 30 June 2012 (as previously stated)	85,163	(1,225)	28,989	4,831	40,292	158,050	22,441	180,491
Effect of transition to MFRS	-	-	-	-	3,522	3,522	215	3,737
As restated	85,163	(1,225)	28,989	4,831	43,814	161,572	22,656	184,228
Net (loss)/profit for the year	-	-	-	-	(7,848)	(7,848)	851	(6,997)
Other comprehensive income	-	-	-	465	-	465	386	851
Total comprehensive income for the year	-	-	-	465	(7,848)	(7,383)	1,237	(6,146)
Transfer	-	-	-	36	(36)	-	-	-
Dividend to non-controlling interests of subsidiaries	-	-	-	-	-	-	(1,849)	(1,849)
Disposal of a subsidiary	-	-	-	(126)	33	(93)	193	100
Acquisition of non-controlling interest	-	-	-	-	-	-	(6,990)	(6,990)
Discount on acquisition of non-controlling interest	-	-	-	280	-	280	-	280
Balance at 30 June 2013	85,163	(1,225)	28,989	5,486	35,963	154,376	15,247	169,623
Balance at 30 June 2011 (as previously stated)	85,163	(1,225)	28,989	3,337	56,167	172,431	19,325	191,756
Effect of transition to MFRS	-	-	-	-	3,599	3,599	223	3,822
As restated	85,163	(1,225)	28,989	3,337	59,766	176,030	19,548	195,578
Net (loss)/profit for the year	-	-	-	-	(15,922)	(15,922)	3,098	(12,824)
Other comprehensive income	-	-	-	1,464	-	1,464	1,452	2,916
Total comprehensive income for the year	-	-	-	1,464	(15,922)	(14,458)	4,550	(9,908)
Transfer	-	-	-	30	(30)	-	-	-
Dividend to non-controlling interests of subsidiaries	-	-	-	-	-	-	(1,442)	(1,442)
Balance at 30 June 2012 (restated)	85,163	(1,225)	28,989	4,831	43,814	161,572	22,656	184,228

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2013

(The figures have not been audited)

	Current Year Ended 30/06/2013 RM'000	Comparative Year Ended 30/06/2012 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation from - continuing operations	13,942	4,674
- discontinued operations	(14,901)	(7,643)
Adjustments for :-		
Share of results of associates	(4,167)	(1,618)
Depreciation of property, plant and equipment	3,179	4,923
Interest expense	707	2,346
Interest income	(3,550)	(3,004)
Inventories written down	1,479	3,485
Gain on disposal of an associate	(1,373)	-
Gain on disposal of subsidiaries (Note A12)	(7,739)	-
Gain on disposal of property, plant and equipment	(40)	(2,513)
Other non-cash items	1,365	(184)
Operating (loss)/profit before working capital changes	(11,098)	466
Net changes in current assets	47,517	30,347
Net changes in current liabilities	7,165	(2,342)
Cash generated from operations	43,584	28,471
Interest received	851	449
Income tax paid	(1,035)	(1,226)
Interest paid	(707)	(2,346)
Net cash from operating activities	42,693	25,348
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,667)	(596)
Capital work-in-progress incurred	(124)	-
Proceeds from disposal of property, plant and equipment	52	3,471
Proceed from disposal of investment in an associate	1,373	-
Acquisition of shares from non-controlling interest	(6,710)	-
Dividend received from associates	4,660	1,141
Proceeds from disposal of subsidiaries, net of cash disposed (Note A12)	27,593	-
Net cash from investing activities	25,177	4,016
Cash Flows from Financing Activities		
Repayment of borrowings	(31,180)	(17,716)
Dividend paid to non-controlling interests by subsidiaries	(1,849)	(1,530)
Net cash used in financing activities	(33,029)	(19,246)
Net increase in cash and cash equivalents	34,841	10,118
Effects of exchange rate changes	(23)	306
Cash and cash equivalents at beginning of the year	25,113	14,688
Cash and cash equivalents at end of the year	59,931	25,112
Cash and cash equivalents comprise :-		
Cash and bank balances	4,254	7,262
Deposits with licensed financial institutions	55,677	17,850
	59,931	25,112

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

NOTES (IN COMPLIANCE WITH MFRS 134)**A1 Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 on Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012, which were prepared under Financial Reporting Standards (“FRS”).

The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the financial year ended 30 June 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* (“MFRS 1”) has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 July 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial position and financial performance is set below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the condensed consolidated statement of cash flows.

(i) Application of MFRS 1

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 2012 except for the following:-

Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS (Revised) Property, Plant and Equipment which was effective for the periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group has recorded the leasehold land and buildings at revalued amounts, but had not adopted a policy of revaluation, and continued to carry on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

NOTES (IN COMPLIANCE WITH MFRS 134)**A1 Basis of Preparation (cont'd)****(i) Application of MFRS 1 (cont'd)**Property, plant and equipment (cont'd)

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs. The deferred tax liabilities on the revaluation reserves amounted to RM3.82 million at the date of transition was transferred from deferred tax liabilities to retained earnings and non-controlling interests on the date of transition. The reversal of the respective deferred tax liabilities was similarly adjusted in the Condensed Statement of Comprehensive Income.

The reconciliations of transitioning effects for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:-

Reconciliation of Condensed Consolidated Statement of Comprehensive Income

<u>Comparative year ended 30 June 2012</u>	<u>FRS</u> RM'000	Effect of transition to MFRS RM'000	Discontinued <u>Operation</u> RM'000	<u>MFRS</u> RM'000
Taxation	(9,770)	(85)	7,005	(2,850)

Reconciliation of Condensed Consolidated Statement of Financial Position

<u>As at 1 July 2011</u>	<u>FRS</u> RM'000	Effect of transition to MFRS RM'000	<u>MFRS</u> RM'000
Net deferred tax assets	6,939	3,822	10,761
Retained earnings	56,167	3,599	59,766
Non-controlling interests	19,325	223	19,548

<u>As at 30 June 2012</u>	<u>FRS</u> RM'000	Effect of transition to MFRS RM'000	<u>MFRS</u> RM'000
Net deferred tax assets/(liabilities)	(1,277)	3,737	2,460
Retained earnings	40,292	3,522	43,814
Non-controlling interests	22,441	215	22,656

NOTES (IN COMPLIANCE WITH MFRS 134)**A1 Basis of Preparation (cont'd)****(ii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

The following MFRSs, Amendments to MFRSs and IC Interpretation have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:-

		Effective for annual periods beginning on or after
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (as amended in November 2011)	1 January 2013
MFRS 127	Separate Financial Statements (as amended in November 2011)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (as amended in November 2011)	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
	Amendments to MFRSs contained in the document entitled “Annual Improvements 2009-2011 Cycle”	1 January 2013
Amendments to MFRS 10, 12 and 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

The adoption of the above new and revised MFRSs, Amendments to MFRSs and IC Interpretation is not expected to have any significant impact on the interim financial report in the period of initial application.

A2 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2012 was not qualified.

NOTES (IN COMPLIANCE WITH MFRS 134)**A3 Seasonal or Cyclical Factors**

The Group's operations for the current quarter and financial year ended 30 June 2013 were not materially affected by any seasonal or cyclical factors.

A4 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 2013.

A5 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 2013.

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 June 2013, 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.

A7 Dividend Paid

No dividend was paid during the current quarter and financial year ended 30 June 2013.

A8 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 2013					
Revenue from					
continuing operations:					
External revenue	4,792	37,274	-	-	42,066
Inter-segment revenue	-	-	77	(77)	-
	<u>4,792</u>	<u>37,274</u>	<u>77</u>	<u>(77)</u>	<u>42,066</u>
Revenue from					
discontinued operations	<u>68,609</u>	<u>7,095</u>	<u>15,259</u>	<u>-</u>	<u>90,963</u>
Total	<u>73,401</u>	<u>44,369</u>	<u>15,336</u>	<u>(77)</u>	<u>133,029</u>
Results from continuing operations:					
Interest income	15	68	3,431	-	3,514
Depreciation	558	397	-	-	955
Reportable segment (loss)/profit					
before taxation	(3,712)	3,556	9,931	-	9,775
Share of results of associates	-	837	3,330	-	4,167
(Loss)/Profit before taxation	<u>(3,712)</u>	<u>4,393</u>	<u>13,261</u>	<u>-</u>	<u>13,942</u>
Loss before taxation from					
discontinued operations	<u>(12,628)</u>	<u>(1,918)</u>	<u>(355)</u>	<u>-</u>	<u>(14,901)</u>
Total	<u>(16,340)</u>	<u>2,475</u>	<u>12,906</u>	<u>-</u>	<u>(959)</u>

NOTES (IN COMPLIANCE WITH MFRS 134)**A8 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
For Comparative Year Ended 30 June 2012					
Revenue from					
continuing operations:					
External revenue	36,918	34,974	-	-	71,892
Inter-segment revenue	-	-	82	(82)	-
	<u>36,918</u>	<u>34,974</u>	<u>82</u>	<u>(82)</u>	<u>71,892</u>
Revenue from					
discontinued operations	<u>141,288</u>	<u>13,197</u>	<u>18,194</u>	<u>-</u>	<u>172,679</u>
Total	<u>178,206</u>	<u>48,171</u>	<u>18,276</u>	<u>(82)</u>	<u>244,571</u>
Results from continuing operations:					
Interest income	27	59	2,825	-	2,911
Interest expense	256	-	-	-	256
Depreciation	1,184	454	2	-	1,640
Reportable segment (loss)/profit					
before taxation	(4,046)	4,321	2,781	-	3,056
Share of results of associates	-	(105)	1,723	-	1,618
(Loss)/Profit before taxation	<u>(4,046)</u>	<u>4,216</u>	<u>4,504</u>	<u>-</u>	<u>4,674</u>
(Loss)/Profit before taxation from					
discontinued operations	<u>(8,299)</u>	<u>146</u>	<u>510</u>	<u>-</u>	<u>(7,643)</u>
Total	<u>(12,345)</u>	<u>4,362</u>	<u>5,014</u>	<u>-</u>	<u>(2,969)</u>

A9 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 22 August 2013 (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 2013.

A10 Effect of Changes in the Composition of the Group

In addition to the disposal of subsidiaries as disclosed in Note A12, FACB Industries Incorporated Berhad ("FACBII"), on 22 October 2012, entered into a share sale agreement for the acquisition of 5,249,999 ordinary shares of RM1 each and 7,000,000 preference shares of RM1 each in Restonic (M) Sdn Bhd ("Restonic") representing 30% and 100% of the ordinary shares and preference shares respectively in Restonic from Pacific Brands Holdings Pty Ltd, a wholly-owned subsidiary of Pacific Brands Limited which is a publicly listed company incorporated in Victoria, Australia, for a total purchase consideration of RM6,709,955 fully satisfied via cash ("Acquisition"). As at 30 June 2012, FACBII owned 50% plus 1 ordinary share in Restonic. The Acquisition was completed on 30 October 2012, FACBII now own 80% of ordinary shares and 100% preference shares in Restonic.

A11 Changes in Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company as at 22 August 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are RM0.48 million (30 June 2012 : RM37 million) in respect of corporate guarantees extended in support of banking facilities/operations of the subsidiaries.

NOTES (IN COMPLIANCE WITH MFRS 134)**A12 Property Held For Sale/Discontinued Operations/Disposal of Subsidiaries****(i) Property Held For Sale**

On 12 December 2012, FACBII announced that its wholly-owned subsidiary, Kanzen Kagu Sdn Bhd ("KKSBB") had entered into a conditional sale and purchase agreement with Absolute Deal Sdn Bhd ("ADSB") for the proposed disposal by KKSBB of a parcel of leasehold industrial land erected upon with two detached factories and other supporting structures, measuring 81,520.56 square metres held under H.S.(D) 132498/ Lot PT 64, Section 23, City of Shah Alam, District of Petaling, Selangor Darul Ehsan (collectively referred to as the "Property") to ADSB for a total cash consideration of RM97.00 million.

As at 30 June 2013, the Property of KKSBB has been presented in the Condensed Consolidated Statement of Financial Position as "Asset classified as held for sale" and "Liability classified as held for sale".

The property classified as asset and liability held for sale as at 30 June 2013 are as follows:-

	Carrying amounts as at 30/06/2013 <u>RM'000</u>
<u>Asset:</u>	
Property, plant and equipment	35,029
Asset classified as held for sale	<u>35,029</u>
<u>Liability:</u>	
Deferred tax liability	<u>(1,409)</u>
Liability classified as held for sale	<u>(1,409)</u>

(ii) Discontinued Operations/Disposal of Subsidiaries

On 12 December 2012, FACBII had entered into a conditional share sale agreement with Kentzu Steel Sdn Bhd for the proposed disposal by FACBII of 10,000,000 ordinary shares of RM1 each, representing 100% equity interest in Kanzen Tetsu Sdn Bhd ("KTSB") ("Sale Shares") to Kentzu Steel Sdn Bhd for a total cash consideration of RM34.50 million. The proposed disposal was completed on 1 April 2013.

On 21 June 2013, Dreamland Spring Sdn Bhd ("DSS"), wholly-owned subsidiary of FACBII, had disposed of its entire 51% equity interest in Dreamland Qingdao Pte Ltd ("DQ") to Qingdao Jinyu Synthesize Operate Co Ltd for a consideration of RMB350,000.

During the quarter under review, Nantong Dreamland Steel Products Co Ltd ("NDSP"), a 55%-owned subsidiary of DSS, had ceased its production subsequent to a decision to discontinue the joint venture arrangement.

The results of KTSB, DQ and NDSP are presented separately in the Condensed Consolidated Statement of Comprehensive Income as "Loss from discontinued operations, net of tax".

NOTES (IN COMPLIANCE WITH MFRS 134)**A12 Property Held For Sale/Discontinued Operations/Disposal of Subsidiaries (cont'd)****(ii) Discontinued Operations/Disposal of Subsidiaries (cont'd)**

The results of the discontinued operations were as follows:-

	Current Quarter Ended <u>30/06/2013</u> RM'000	Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	Comparative Year Ended <u>30/06/2012</u> RM'000
Revenue	5,309	44,077	90,963	172,679
Loss before taxation	(882)	(5,425)	(14,901)	(7,643)
Taxation	(30)	(7,379)	(141)	(7,005)
Net loss for the quarter/year from discontinued operations	(912)	(12,804)	(15,042)	(14,648)

The cashflows attributable to the discontinued operations were as follows:-

	Current Year Ended <u>30/06/2013</u> RM'000	Comparative Year Ended <u>30/06/2012</u> RM'000
Net cash from operating activities	28,436	764
Net cash from/(used in) investing activities	7	(183)
Net cash used in financing activities	(31,549)	(7,780)
Total cash flows	(3,106)	(7,199)

The effect of the disposals of KTSB and DQ on the financial position of the Group as at the date of disposals were as follows:-

	<u>KTSB</u> RM'000	<u>DQ</u> RM'000
Property, plant and equipment	7,555	113
Inventories	13,422	1,183
Trade and other receivables	22	85
Cash and cash equivalents	6,643	445
Trade and other payables	(5)	(2,246)
Tax liabilities	(376)	-
Net assets and liabilities	27,261	(420)
Add : Non-controlling interest	-	193
Less : Realisation of translation reserve	-	(92)
Share of net assets and liabilities disposed of	27,261	(319)
Cash consideration received	(34,500)	(181)
Gain on disposal of investment in subsidiaries	(7,239)	(500)
Net cash inflow/(outflow) arising from disposals:		
Cash consideration received	34,500	181
Cash and cash equivalents	(6,643)	(445)
	27,857	(264)

NOTES (IN COMPLIANCE WITH MFRS 134)**A13 Other Event**

On 6 December 2012, FACBII announced that the Company had entered into a settlement agreement with Karambunai Corp Bhd ("KCB") and its indirectly wholly owned subsidiary Dapan Holdings Sdn Bhd ("DHSB") for the proposed capitalisation of debt owing by DHSB to be fully satisfied via the issuance of new KCB Shares ("Settlement Shares") to FACBII at an issue price of RM0.1111 per ordinary share of RM0.10 each in KCB ("Proposed Capitalisation"). As at 30 November 2012, the debt owing by DHSB to FACBII, including all interest accumulated, amounted to RM35,633,818. Upon completion of the Proposed Capitalisation to FACBII, RM35,633,818 and the interest accumulated on the total debt due to FACBII shall be (and shall be deemed to be) fully settled by the issuance of the Settlement Shares and KCB and DHSB shall be (and will be deemed to be) released from its obligations to FACBII in respect thereof. The total number of Settlement Shares to be issued to FACBII will depend on the total amount owing to FACBII by DHSB including interest that may be accrued preceding KCB's announcement of the book closure date for its Proposed Rights Issue with Warrants.

FACBII had on 30 July 2013 mutually agreed with KCB and DHSB to extend the cut-off date until 31 January 2014 to fulfil the conditions as set out in the settlement agreement dated 6 December 2012.

A14 Material Event Subsequent to the End of the Interim Period

Subsequent to the financial year ended 30 June 2013 and up to 22 August 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the Proposed Disposal of Property of KKSB was completed on 16 July 2013.

Save for the above, there was no material event as at 22 August 2013 that has not been reflected in the current quarter and financial year ended 30 June 2013 under review.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B1 Performance Review for Continuing Operations****(a) The Current Quarter vs Preceding Year Comparative Quarter**

For the current quarter, the Group reported higher profit before taxation of RM7.94 million on the back of RM13.31 million in revenue compared to the profit before taxation of RM3.72 million and revenue of RM13.45 million in the preceding year comparative quarter.

The bedding operations in Malaysia recorded lower profit before taxation on the back of lower revenue and profit margin. Higher profit contribution recorded from associates in China mainly due to better performance in both bedding and power generation operations. The stainless steel fitting business commenced operations since March 2013 and contributed RM3.71mil in revenue. The higher profit before taxation was due to higher other operating income from the gains on disposal of subsidiaries as disclosed in note A12.

(b) Current Year vs Preceding Year

For the financial year ended 30 June 2013, the Group recorded lower revenue of RM42.07 million compared with revenue of RM71.89 million in the preceding year. The lower revenue was due to the cessation of the carbon steel operations since April 2012. The Group achieved profit before taxation of RM13.94 million compared to RM4.67 million registered in previous year. The improved Group results were due to better gross profit margin achieved this year following the disposal of its loss performing subsidiaries.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B1 Performance Review for Continuing Operations (cont'd)****(b) Current Year vs Preceding Year (cont'd)**

The bedding operations in Malaysia reported a lower profit before taxation despite an increase in revenue mainly due to higher promotional cost incurred. The other division recorded higher profit before taxation mainly due to gain arising from disposal of subsidiaries and an associate. Associates in China contributed higher profit mainly from the power generation business.

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

The Group reported profit before taxation of RM7.94 million for the current quarter compared with RM1.05 million registered in the immediate preceding quarter ended 31 March 2013. Revenue increased by 29% to RM13.31 million due to higher revenue contribution from the stainless steel fitting operation. The higher profit in this quarter was due to gain from disposal of two subsidiaries.

B3 Prospects of Next Financial Year

Subsequent to the disposal of KTSB and DQ, the Group is expected to perform positively for the coming financial year.

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 Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):-

	Current Quarter Ended <u>30/06/2013</u> RM'000	Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	Comparative Year Ended <u>30/06/2012</u> RM'000
Continuing Operations:				
Depreciation of property, plant and equipment	134	349	955	1,640
Gain on disposal of property, plant and equipment	-	(2,439)	-	(2,442)
Gain on foreign exchange	(398)	(736)	(234)	(799)
Impairment loss on trade receivables	13	(62)	197	110
Impairment loss on amount owing by an associate	623	-	623	-
Interest expense	-	16	-	256
Interest income	(1,052)	(789)	(3,514)	(2,911)
Inventories written down	-	6	-	6
Inventories written off	-	58	-	58
Net fair value gain on derivatives	-	(1)	-	(44)
Gain on disposal of an associate	-	-	(1,373)	-
Gain on disposal of subsidiaries	(7,739)	-	(7,739)	-

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B6 Notes to the Condensed Consolidated Statement of Comprehensive Income (cont'd)**

Profit before taxation is arrived at after charging/(crediting):- (cont'd)

	Current Quarter Ended <u>30/06/2013</u> RM'000	Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	Comparative Year Ended <u>30/06/2012</u> RM'000
<u>Discontinued Operations:</u>				
Bad debts written off	-	-	417	-
Depreciation of property, plant and equipment	25	787	2,224	3,283
Loss/(Gain) on disposal of property, plant and equipment	-	1	(40)	(71)
Loss/(Gain) on foreign exchange	23	(80)	146	(12)
Interest expense	14	397	707	2,090
Interest income	(1)	(15)	(36)	(93)
Inventories written down	-	3,479	1,479	3,479
Net fair value loss/(gain) on derivatives	-	82	(99)	70

Apart from the above, there was no impairment of assets and exceptional item for the current quarter and financial year ended 30 June 2013.

B7 Taxation

Taxation comprises the following:-

	Current Quarter Ended <u>30/06/2013</u> RM'000	<u>Restated</u> Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	<u>Restated</u> Comparative Year Ended <u>30/06/2012</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	1,388	907	2,637	1,806
- Foreign	418	30	752	133
Under/(Over)provision in prior year - Malaysia	42	(50)	(524)	(564)
<u>Deferred tax</u>				
Reversal of temporary differences	(639)	2,076	3,020	1,419
Underprovision in prior year	-	56	-	56
Tax expense from continuing operations	1,209	3,019	5,897	2,850

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B7 Taxation (cont'd)**

Taxation comprises the following:- (cont'd)

	Current Quarter Ended <u>30/06/2013</u> RM'000	<u>Restated</u> Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	<u>Restated</u> Comparative Year Ended <u>30/06/2012</u> RM'000
Discontinued Operations:				
<u>Current tax</u>				
Current year - Malaysia	-	(12)	-	-
- Foreign	30	3	158	146
Under/(Over)provision in prior year - Malaysia	-	-	(17)	-
- Foreign	-	45	-	33
<u>Deferred tax</u>				
Reversal of temporary differences	-	7,564	-	6,531
Under/(Over)provision in prior year	-	(221)	-	295
	30	7,379	141	7,005
Total tax expense	1,239	10,398	6,038	9,855

The effective tax rate of the Group (excluding the share of results of associates) for the current quarter was lower than the statutory rate due principally to certain income which is not subject to tax. As for the financial year ended 30 June 2013, the effective tax rate of the Group (excluding the share of results of associates) was higher than the statutory rate due principally to the derecognition of unutilised tax losses as deferred tax asset and certain expenses not being deductible for tax purposes.

B8 Status of Corporate Proposals

There was no outstanding corporate proposal that has been announced but not completed as at the date of this quarterly report except as disclosed in Notes A12 and A13.

B9 Group Borrowing

There was no borrowing as at 30 June 2013.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 30 June 2013.

B11 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.

B12 Dividend

The Board of Directors recommends a 3.2% gross final dividend per share less 25% taxation for the financial year ended 30 June 2013 which will be subject to the approval by shareholders at the forthcoming Annual General Meeting.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B13 Earnings/(Loss) per Share**

The earnings/(loss) per share (basic) for the current quarter and financial year ended 30 June 2013 are calculated by dividing the Group's net profit/(loss) for the quarter/year 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>30/06/2013</u> RM'000	<u>Restated</u> Comparative Quarter Ended <u>30/06/2012</u> RM'000	Current Year Ended <u>30/06/2013</u> RM'000	<u>Restated</u> Comparative Year Ended <u>30/06/2012</u> RM'000
Net profit/(loss) attributable to owners of the parent				
- continuing operations	6,430	(591)	6,023	(1,056)
- discontinued operations	(499)	(12,823)	(13,871)	(14,866)
	<u>5,931</u>	<u>(13,414)</u>	<u>(7,848)</u>	<u>(15,922)</u>

B14 Realised and Unrealised Profits or Losses

	As at <u>30/06/2013</u> RM'000	<u>Restated</u> As at <u>30/06/2012</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	33,186	40,427
- Unrealised	(967)	2,027
	<u>32,219</u>	<u>42,454</u>
Total share of retained profits from associates		
- Realised	3,785	1,379
- Unrealised	-	-
	<u>36,004</u>	<u>43,833</u>
Consolidation adjustments	(41)	(19)
Total Group retained profits as per unaudited consolidated financial statements	<u>35,963</u>	<u>43,814</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 28 August 2013