



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME For The First Quarter Ended 30 September 2014**

(The figures have not been audited)

	Current Quarter Ended 30/09/2014 RM'000	Comparative Quarter Ended 30/09/2013 RM'000
Continuing Operations		
Revenue	12,233	15,241
Direct operating costs	(9,589)	(10,806)
Gross profit	2,644	4,435
Other income	1,362	62,849
Operating expenses	(3,982)	(4,636)
Finance costs	-	-
Share of results of associates	1,112	991
Profit before taxation	1,136	63,639
Taxation	(218)	955
Net profit for the quarter from continuing operation	918	64,594
Discontinued Operation		
(Loss)/Profit from discontinued operation, net of tax (Note A12)	(14)	203
Net profit for the quarter	904	64,797
Other comprehensive income		
Exchange differences on translation of foreign operation	2	2
Fair value adjustment of available-for-sale ("AFS") investments	(1,696)	-
Total comprehensive income for the quarter	(790)	64,799
Profit attributable to:		
Owners of the parent	414	64,284
Non-controlling interests	490	513
	904	64,797
Total comprehensive income attributable to:		
Owners of the parent	(1,280)	64,286
Non-controlling interests	490	513
	(790)	64,799
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent (sen):		
From continuing operations	0.50	76.50
From discontinued operation	(0.01)	0.14
	0.49	76.64
Diluted	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 September 2014

	Unaudited As At 30/09/2014 RM'000	Audited As At 30/06/2014 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,777	5,786
Associates	21,350	20,238
Available-for-sale investments	28,871	30,567
Deferred tax assets	956	956
	56,954	57,547
Current Assets		
Inventories	16,533	14,929
Trade and other receivables	14,835	17,265
Deposits, cash and bank balances	151,292	151,685
	182,660	183,879
Total Assets	239,614	241,426
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Share premium	28,989	28,989
Treasury shares	(1,225)	(1,225)
Other reserves	(3,984)	(2,290)
Retained earnings	101,474	101,060
Equity attributable to owners of the parent	210,417	211,697
Non-controlling interests	17,582	17,092
Total equity	227,999	228,789
Non-Current Liability		
Deferred tax liabilities	122	122
	122	122
Current Liabilities		
Trade and other payables	10,816	11,851
Tax liabilities	677	664
	11,493	12,515
Total liabilities	11,615	12,637
Total Equity and Liabilities	239,614	241,426
Net Assets per share (RM)	2.51	2.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 September 2014

(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 2014	85,163	(1,225)	28,989	(2,290)	101,060	211,697	17,092	228,789
Net profit for the quarter	-	-	-	-	414	414	490	904
Other comprehensive income								
- Exchange differences on translation of foreign operations	-	-	-	2	-	2	-	2
- Fair value adjustment of AFS investments	-	-	-	(1,696)	-	(1,696)	-	(1,696)
Total comprehensive income for the quarter	-	-	-	(1,694)	414	(1,280)	490	(790)
Balance at 30 September 2014	<u>85,163</u>	<u>(1,225)</u>	<u>28,989</u>	<u>(3,984)</u>	<u>101,474</u>	<u>210,417</u>	<u>17,582</u>	<u>227,999</u>
Balance at 30 June 2013	85,163	(1,225)	28,989	5,510	35,841	154,278	15,181	169,459
Net profit for the quarter	-	-	-	-	64,284	64,284	513	64,797
Other comprehensive income								
- Exchange differences on translation of foreign operations	-	-	-	2	-	2	-	2
Total comprehensive income for the quarter	-	-	-	2	64,284	64,286	513	64,799
Dividend to non-controlling interest of a subsidiary	-	-	-	-	-	-	(169)	(169)
Balance at 30 September 2013	<u>85,163</u>	<u>(1,225)</u>	<u>28,989</u>	<u>5,512</u>	<u>100,125</u>	<u>218,564</u>	<u>15,525</u>	<u>234,089</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The First Quarter Ended 30 September 2014***(The figures have not been audited)*

	Current Quarter Ended 30/09/2014 RM'000	Comparative Quarter Ended 30/09/2013 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation from - continuing operations	1,136	63,639
- discontinued operation	(14)	203
Adjustments for :-		
Share of results of associates	(1,112)	(991)
Depreciation of property, plant and equipment	154	156
Impairment loss on trade receivables	-	58
Interest income	(1,245)	(1,462)
Gain on disposal of property, plant and equipment	-	(60,961)
Other non-cash items	(57)	(139)
Operating (loss)/profit before working capital changes	(1,138)	503
Net changes in current assets	1,388	2,008
Net changes in current liabilities	(1,035)	(10,056)
Cash used in operations	(785)	(7,545)
Interest received	1,192	911
Income tax paid	(679)	(470)
Net cash used in operating activities	(272)	(7,104)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(145)	(100)
Capital work-in-progress incurred	-	(123)
Proceeds from disposal of property, plant and equipment	-	96,249
Dividend received from an associate	-	161
Net cash (used in)/generated from investing activities	(145)	96,187
Cash Flows from Financing Activity		
Dividend paid to non-controlling interest by a subsidiary, representing net cash used in financing activity	-	(169)
Net (decrease)/increase in cash and cash equivalents	(417)	88,914
Effects of exchange rate changes	24	144
Cash and cash equivalents at beginning of the quarter	151,685	59,931
Cash and cash equivalents at end of the quarter	151,292	148,989
Cash and cash equivalents comprise :-		
Cash and bank balances	7,199	6,987
Deposits with licensed financial institutions	144,093	142,002
	151,292	148,989

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

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

The unaudited 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 unaudited condensed consolidated interim financial statements also comply with IAS 34 on Interim Financial Reporting issued by International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2014.

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 significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2014 except for the following:-

(i) Adoption of New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretation

		Effective for financial periods beginning on or after
Amendments to MFRS 10, 12 and 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Int 21	Levies	1 January 2014
Amendments to MFRS 2	Share-based Payment (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014
Amendments to MFRS 8	Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014

NOTES (IN COMPLIANCE WITH MFRS 134)**A1 Basis of Preparation (cont'd)****(i) Adoption of New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretation (cont'd)**

		Effective for financial periods beginning on or after
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 138	Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 140	Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014

(ii) MFRSs and Amendments to MFRSs issued but not yet effective

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

		Effective for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (MFRS 9 issued by IASB in July 2014)	1 January 2018

The Group intends to adopt the above MFRSs when they become effective.

NOTES (IN COMPLIANCE WITH MFRS 134)

A2 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2014 was not qualified.

A3 Seasonal or Cyclical Factors

The Group's operations for the current quarter 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.

A5 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.

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 September 2014, 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.

A8 Reportable Segments

	Steel	Bedding	All Other Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For Current Quarter					
Ended 30 September 2014					
Revenue from					
continuing operations:					
External revenue	5,322	6,911	-	-	12,233
Inter-segment revenue	-	-	11	(11)	-
	-	6,911	11	(11)	12,233
Results from continuing operations:					
Interest income	1	14	1,229	-	1,244
Depreciation	75	79	-	-	154
Reportable segment (loss)/profit					
before taxation	(817)	(73)	914	-	24
Share of results of associates	-	66	1,046	-	1,112
(Loss)/Profit before taxation	(817)	(7)	1,960	-	1,136
Loss before taxation from					
discontinued operation	-	-	(14)	-	(14)
Total	(817)	(7)	1,946	-	1,122

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 Quarter Ended 30 September 2013					
Revenue from					
continuing operations:					
External revenue	6,632	8,609	-	-	15,241
Inter-segment revenue	-	-	11	(11)	-
	<u>6,632</u>	<u>8,609</u>	<u>11</u>	<u>(11)</u>	<u>15,241</u>
Revenue from					
discontinued operation	-	-	332	-	332
Total	<u>6,632</u>	<u>8,609</u>	<u>343</u>	<u>(11)</u>	<u>15,573</u>
Results from continuing operations:					
Interest income	16	19	1,426	-	1,461
Depreciation	63	89	1	-	153
Reportable segment profit before					
taxation	5	398	62,245	-	62,648
Share of results of associates	-	150	841	-	991
Profit before taxation	<u>5</u>	<u>548</u>	<u>63,086</u>	<u>-</u>	<u>63,639</u>
Profit before taxation from					
discontinued operation	-	-	203	-	203
Total	<u>5</u>	<u>548</u>	<u>63,289</u>	<u>-</u>	<u>63,842</u>

A9 Material Events Subsequent to the End of the Quarter under Review

There was no material event from the end of the quarter to 20 November 2014 (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.

A10 Effect of Changes in the Composition of the Group

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

A11 Changes in Contingent Liabilities or Contingent Assets

There was no contingent liabilities or contingent assets as at the date of this report which may have a material impact on the financial position of the Group.

A12 Discontinued Operation

Nantong Dreamland Steel Products Co Ltd ("NDSP"), a 55%-owned subsidiary of Dreamland Spring Sdn Bhd ("DSS"), had ceased its operation during the financial year 2013. The result of NDSP is presented separately in the Condensed Consolidated Statement of Comprehensive Income as "(Loss)/Profit from discontinued operation, net of tax".

In the previous financial year, Dreamland Xian Pte Ltd ("DX"), a 52%-owned subsidiary of DSS, was derecognised and ceased to be a subsidiary of DSS and the Group on the deregistration of DX.

NOTES (IN COMPLIANCE WITH MFRS 134)**A12 Discontinued Operation (cont'd)**

The results of the discontinued operation were as follows:-

	Current Quarter Ended <u>30/09/2014</u> RM'000	Comparative Quarter Ended <u>30/09/2013</u> RM'000
Revenue	-	332
(Loss)/Profit before taxation	(14)	203
Taxation	-	-
Net (loss)/profit for the quarter from discontinued operations	<u>(14)</u>	<u>203</u>

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

	Current Quarter Ended <u>30/09/2014</u> RM'000	Comparative Quarter Ended <u>30/09/2013</u> RM'000
Net cash (used in)/generated from operating activities	(15)	1,024
Net cash generated from investing activities	-	97
Net cash used in financing activities	-	(169)
Total cash flows	<u>(15)</u>	<u>952</u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B1 Performance Review for Continuing Operations**

Current Quarter vs Preceding Year Comparative Quarter

For the current quarter, the Group reported a profit before taxation of RM1.14 million on the back of RM12.23 million in revenue compared to the profit before taxation of RM63.64 million and revenue of RM15.24 million in the preceding year comparative quarter.

The bedding operations in Malaysia posted a loss before taxation on the back of lower revenue and profit margin under the slow market conditions. The stainless steel fitting suffered a loss before taxation due to weak selling price caused by stiff market competition. Higher profit contribution recorded by associates in China in the businesses of power generation. Higher profit in preceding year comparative quarter was due to gain from disposal of land and building.

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

The Group registered lower revenue of RM12.23 million and profit before taxation of RM1.14 million for the current quarter as compared with the immediate preceding quarter revenue of RM15.12 million and profit before taxation of RM1.36 million. The unfavourable result was due to the underperformance from bedding operation. Higher contribution from associates in China was attributable to improved performance in bedding and power generation operations.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B3 Current Year Prospects**

The Group expects to maintain positive results for the remaining quarters ending 30 June 2015.

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>30/09/2014</u> RM'000	Comparative Quarter Ended <u>30/09/2013</u> RM'000
<u>Continuing Operations:</u>		
Depreciation of property, plant and equipment	153	153
Gain on disposal of property, plant and equipment	-	(61,123)
Gain on foreign exchange	(16)	(188)
Impairment loss on trade receivables	-	58
Interest income	(1,244)	(1,461)
<u>Discontinued Operation:</u>		
Depreciation of property, plant and equipment	1	3
Loss on disposal of property, plant and equipment	-	162
Loss on foreign exchange	-	1
Interest income	(1)	(1)

Apart from the above, there was no write off of receivables, write off of inventories, impairment of assets, gain or loss on disposal of quoted or unquoted investments and exceptional item for the current quarter.

B7 Taxation

Taxation comprises the following:-

	Current Quarter Ended <u>30/09/2014</u> RM'000	Comparative Quarter Ended <u>30/09/2013</u> RM'000
<u>Current tax</u>		
Current year - Malaysia	218	414
- Foreign	-	40
<u>Deferred tax</u>		
Reversal of temporary differences	-	(1,409)
Total tax expense/(credit)	218	(955)

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

The effective tax rate of the Group (excluding the share of results of associates) for the current quarter was higher than the statutory rate due principally to 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.

B9 Group Borrowing

There was no borrowing as at 30 September 2014.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 30 September 2014.

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 Proposed or Declared

A final 2.8% single-tier dividend per ordinary share in respect of the financial year ended 30 June 2014 will be proposed for shareholders' approval at the forthcoming Annual General Meeting. The financial statements do not reflect this proposed dividend which will be accounted for in the financial year ending 30 June 2015 when approved by shareholders.

B13 Earnings/(Loss) per Share

The earnings/(loss) per share (basic) for the current quarter and preceding year comparative quarter are calculated by dividing the Group's net profit/(loss) for the quarter 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 30/09/2014 RM'000	Comparative Quarter Ended 30/09/2013 RM'000
Net profit/(loss) attributable to owners of the parent		
- continuing operations	422	64,172
- discontinued operation	(8)	112
	414	64,284
	414	64,284

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B14 Realised and Unrealised Profits or Losses**

	As at <u>30/09/2014</u> RM'000	As at <u>30/09/2013</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	98,437	97,100
- Unrealised	771	511
	<hr/> 99,208	<hr/> 97,611
Total share of retained profits from associates		
- Realised	2,325	2,554
- Unrealised	-	-
	<hr/> 101,533	<hr/> 100,165
Consolidation adjustments	(59)	(40)
Total Group retained profits as per unaudited consolidated financial statements	<hr/> <hr/> 101,474	<hr/> <hr/> 100,125

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 26 November 2014