



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 2015**

(The figures have not been audited)

	Current Quarter Ended 30/09/2015 RM'000	Comparative Quarter Ended 30/09/2014 RM'000
Continuing Operations		
Revenue	12,631	12,233
Direct operating costs	(8,971)	(9,589)
Gross profit	3,660	2,644
Other income	2,390	1,362
Operating expenses	(4,339)	(3,982)
Share of results of associates	1,590	1,112
Profit before tax	3,301	1,136
Taxation	(335)	(218)
Net profit for the quarter from continuing operations	2,966	918
Discontinued Operation		
Loss from discontinued operation, net of tax (Note A12)	-	(14)
Net profit for the quarter	2,966	904
Other comprehensive income		
Exchange differences on translation of foreign operation	17	2
Fair value adjustments of available-for-sale investments ("AFS")	(3,392)	(1,696)
Total comprehensive loss for the quarter	(409)	(790)
Profit attributable to:		
Owners of the parent	2,150	414
Non-controlling interests	816	490
	2,966	904
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(1,225)	(1,280)
Non-controlling interests	816	490
	(409)	(790)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent (sen):		
From continuing operations	2.56	0.50
From discontinued operation	-	(0.01)
	2.56	0.49
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 2015)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 September 2015

	Unaudited	Audited
	As At 30/09/2015 RM'000	As At 30/06/2015 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,910	5,857
Investment in associates	26,087	24,497
Available-for-sale investments	16,959	20,351
Deferred tax assets	1,000	1,000
	<u>49,956</u>	<u>51,705</u>
Current Assets		
Inventories	14,923	14,921
Trade and other receivables	16,150	18,221
Deposits, cash and bank balances	152,950	150,601
	<u>184,023</u>	<u>183,743</u>
Total Assets	<u>233,979</u>	<u>235,448</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	85,163	85,163
Share premium	28,989	28,989
Treasury shares	(1,225)	(1,225)
Other reserves	(14,626)	(10,586)
Retained earnings	105,842	103,459
Equity attributable to owners of the parent	<u>204,143</u>	<u>205,800</u>
Non-controlling interests	18,653	18,643
Total equity	<u>222,796</u>	<u>224,443</u>
Non-Current Liability		
Deferred tax liabilities	110	110
	<u>110</u>	<u>110</u>
Current Liabilities		
Trade and other payables	10,592	10,364
Tax liabilities	481	531
	<u>11,073</u>	<u>10,895</u>
Total liabilities	<u>11,183</u>	<u>11,005</u>
Total Equity and Liabilities	<u>233,979</u>	<u>235,448</u>
Net Assets per share (RM)	2.43	2.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The First Quarter Ended 30 September 2015***(The figures have not been audited)*

In RM'000	← Attributable to Owners of the Parent →					Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Earnings			
Balance at 30 June 2015	85,163	(1,225)	28,989	(10,586)	103,459	205,800	18,643	224,443
Net profit for the quarter	-	-	-	-	2,150	2,150	816	2,966
Other comprehensive income								
- Exchange differences on translation of foreign operation	-	-	-	17	-	17	-	17
- Fair value adjustments of AFS investments	-	-	-	(3,392)	-	(3,392)	-	(3,392)
Total comprehensive loss for the quarter	-	-	-	(3,375)	2,150	(1,225)	816	(409)
- Deregistration of a subsidiary	-	-	-	(665)	233	(432)	(806)	(1,238)
Balance at 30 September 2015	85,163	(1,225)	28,989	(14,626)	105,842	204,143	18,653	222,796
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 operation	-	-	-	2	-	2	-	2
- Fair value adjustments of AFS investments	-	-	-	(1,696)	-	(1,696)	-	(1,696)
Total comprehensive loss for the quarter	-	-	-	(1,694)	414	(1,280)	490	(790)
Balance at 30 September 2014	85,163	(1,225)	28,989	(3,984)	101,474	210,417	17,582	227,999

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The First Quarter Ended 30 September 2015***(The figures have not been audited)*

	Current Quarter Ended 30/09/2015 RM'000	Comparative Quarter Ended 30/09/2014 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax from - continuing operations	3,301	1,136
- discontinued operation	-	(14)
Adjustments for :-		
Share of results of associates	(1,590)	(1,112)
Depreciation of property, plant and equipment	174	154
Impairment loss on trade receivables	52	-
Interest income	(1,415)	(1,245)
Gain on deregistration of a subsidiary	(517)	-
Other non-cash items	(99)	(57)
Operating loss before working capital changes	(94)	(1,138)
Net changes in current assets	450	1,388
Net changes in current liabilities	228	(1,035)
Cash generated from /(used in) operations	584	(785)
Interest received	1,399	1,192
Income tax paid	(519)	(679)
Net cash generated from/(used in) operating activities	1,464	(272)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(227)	(145)
Dividends received from associates	1,816	-
Net cash outflow on deregistration of a subsidiary	(721)	-
Net cash generated from/(used in) investing activities	868	(145)
Net increase/(decrease) in cash and cash equivalents	2,332	(417)
Effects of exchange rate changes	17	24
Cash and cash equivalents at the beginning of the quarter	150,601	151,685
Cash and cash equivalents at the end of the quarter	152,950	151,292
Cash and cash equivalents comprise :-		
Cash and bank balances	3,364	7,199
Deposits with licensed financial institutions	149,586	144,093
	152,950	151,292

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)

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 2015.

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 2015.

As at the date of authorisation of the interim financial statements, the Group has not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:-

		Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments (IFRS 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 2015 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 2015, 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

	<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 2015					
Revenue from					
continuing operations:					
External revenue	3,902	8,729	-	-	12,631
Inter-segment revenue	-	-	11	(11)	-
	<u>3,902</u>	<u>8,729</u>	<u>11</u>	<u>(11)</u>	<u>12,631</u>
Results from continuing operations:					
Interest income	4	10	1,401	-	1,415
Depreciation	92	82	-	-	174
Reportable segment (loss)/profit					
before tax	(327)	77	1,961	-	1,711
Share of results of associates	-	102	1,488	-	1,590
(Loss)/Profit before tax	<u>(327)</u>	<u>179</u>	<u>3,449</u>	<u>-</u>	<u>3,301</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 Quarter Ended 30 September 2014					
Revenue from					
continuing operations:					
External revenue	5,322	6,911	-	-	12,233
Inter-segment revenue	-	-	11	(11)	-
	<u>-</u>	<u>6,911</u>	<u>11</u>	<u>(11)</u>	<u>12,233</u>
Results from continuing operations:					
Interest income	1	14	1,229	-	1,244
Depreciation	75	79	-	-	154
Reportable segment (loss)/profit before tax	(817)	(73)	914	-	24
Share of results of associates	-	66	1,046	-	1,112
(Loss)/Profit before tax	<u>(817)</u>	<u>(7)</u>	<u>1,960</u>	<u>-</u>	<u>1,136</u>
Loss before tax from discontinued operation	-	-	(14)	-	(14)
Total	<u>(817)</u>	<u>(7)</u>	<u>1,946</u>	<u>-</u>	<u>1,122</u>

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

There were no material events from the end of the quarter to 11 November 2015 (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 were no changes in the composition of the Group during the current quarter.

A11 Changes in Contingent Liabilities or Contingent Assets

There were 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"), which is incorporated in The People's Republic of China, 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 from discontinued operation, net of tax".

On 11 September 2015, the Company announced that NDSP was deregistered and ceased to be a subsidiary of DSS.

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

The results of the discontinued operation were as follows:-

	Current Quarter Ended <u>30/09/2015</u> RM'000	Comparative Quarter Ended <u>30/09/2014</u> RM'000
Revenue	-	-
Loss before tax	-	(14)
Taxation	-	-
Net loss for the quarter from discontinued operation	-	(14)

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

	Current Quarter Ended <u>30/09/2015</u> RM'000	Comparative Quarter Ended <u>30/09/2014</u> RM'000
Net cash used in operating activities	-	(15)
Total cash flows	-	(15)

The effect of deregistration of NDSP on the financial position of the Group was as follows:-

	RM'000
Cash and bank balances	1,602
Less : Non-controlling interest	(806)
Less : Realisation of translation reserve	(432)
Share of net assets	364
Add : Gain on deregistration	517
Distribution from deregistration	881
Less : Cash and bank balances deregistered	(1,602)
Net cash outflow on deregistration	(721)

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 higher profit before tax of RM3.30 million on the back of RM12.63 million in revenue compared to the profit before tax of RM1.14 million and revenue of RM12.23 million in the preceding year comparative quarter.

The bedding operations in Malaysia recorded a profit before tax instead of loss on the back of a 20% increase in revenue and better profit margin. The stainless steel fitting operation posted a reduced loss before tax due to improvement in selling price and gross profit margin. Higher profit contribution recorded by associates in China in the businesses of power generation. Gain on deregistration of a subsidiary as disclosed in Note A12 has been included under other income.

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

The Group registered lower revenue of RM12.63 million for the current quarter compared with RM12.96 million registered in the immediate preceding quarter ended 30 June 2015 due to lower revenue from both the stainless steel and bedding operations in Malaysia. A higher profit before tax of RM3.30 million versus RM2.99 million in the preceding quarter was recorded mainly attributable to higher contribution from associates and gain from deregistration of a subsidiary as mentioned in Note A12.

B3 Current Year Prospects

The Group expects the prospects for the remaining quarters ending 30 June 2016 to be challenging due to current uncertainties in global economy. The Group's bedding and stainless steel fitting operations will continue to expand customer base and achieve efficiencies on cost management. With the strong fundamental in business operation, the Group expects a satisfactory result for the current 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 Profit or Loss

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

	Current Quarter Ended <u>30/09/2015</u> RM'000	Comparative Quarter Ended <u>30/09/2014</u> RM'000
<u>Continuing Operations:</u>		
Depreciation of property, plant and equipment	174	153
Gain on foreign exchange	(393)	(16)
Gain on deregistration of a subsidiary	(517)	-
Impairment loss on trade receivables	52	-
Interest income	(1,415)	(1,244)
<u>Discontinued Operation:</u>		
Depreciation of property, plant and equipment	-	1
Interest income	-	(1)

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

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

B7 Taxation

Taxation comprises the following:-

	Current Quarter Ended <u>30/09/2015</u> RM'000	Comparative Quarter Ended <u>30/09/2014</u> RM'000
<u>Current tax</u>		
Current year - Malaysia	306	218
- Foreign	29	-
Total tax expense	<u>335</u>	<u>218</u>

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.

B8 Status of Corporate Proposals

There were no outstanding corporate proposals 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 2015.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 30 September 2015.

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 2.5% single-tier dividend per ordinary share in respect of the financial year ended 30 June 2015 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 2016 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.

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

	Current Quarter Ended <u>30/09/2015</u> RM'000	Comparative Quarter Ended <u>30/09/2014</u> RM'000
Net profit/(loss) attributable to owners of the parent		
- continuing operations	2,150	422
- discontinued operation	-	(8)
	<u>2,150</u>	<u>414</u>

B14 Realised and Unrealised Profits or Losses

	As at <u>30/09/2015</u> RM'000	As at <u>30/09/2014</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	101,147	98,437
- Unrealised	913	771
	<u>102,060</u>	<u>99,208</u>
Total share of retained profits from associates		
- Realised	3,848	2,325
- Unrealised	-	-
	<u>105,908</u>	<u>101,533</u>
Consolidation adjustments	(66)	(59)
Total Group retained profits as per unaudited consolidated financial statements	<u>105,842</u>	<u>101,474</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 18 November 2015