



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME For The Third Quarter Ended 31 March 2017**  
*(The figures have not been audited)*

	<b>Current Quarter Ended 31/03/2017 RM'000</b>	<b>Comparative Quarter Ended 31/03/2016 RM'000</b>	<b>9 Months Cumulative To Date 31/03/2017 RM'000</b>	<b>9 Months Cumulative To Date 31/03/2016 RM'000</b>
Revenue	13,854	11,165	40,842	36,851
Direct operating costs	(9,745)	(7,947)	(28,700)	(26,236)
Gross profit	4,109	3,218	12,142	10,615
Other income	7,206	1,253	10,577	5,144
Operating expenses	(4,405)	(4,260)	(13,147)	(13,133)
Share of results of associates	1,513	54	2,381	3,200
Profit before tax	8,423	265	11,953	5,826
Taxation	(821)	(403)	(1,626)	(1,584)
Net profit/(loss) for the period	7,602	(138)	10,327	4,242
Other comprehensive income:				
Foreign currency translation reserve	1,282	(1,407)	561	381
Fair value adjustment of available-for-sale ("AFS") investment	6,784	5,088	5,088	-
Total comprehensive income for the period	15,668	3,543	15,976	4,623
Profit/(Loss) attributable to:				
Owners of the parent	5,298	(62)	7,658	2,901
Non-controlling interests	2,304	(76)	2,669	1,341
	7,602	(138)	10,327	4,242
Total comprehensive income attributable to:				
Owners of the parent	12,862	4,243	13,131	3,114
Non-controlling interests	2,806	(700)	2,845	1,509
	15,668	3,543	15,976	4,623
Earnings/(Loss) per share for profit/(loss) attributable to owners of the parent :				
Basic (sen)	6.32	(0.07)	9.13	3.46
Diluted	N/A	N/A	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 2016)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 31 March 2017**

	Unaudited As At 31/03/2017 RM'000	Audited As At 30/06/2016 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	5,163	5,632
Investment in associates	27,492	24,560
Available-for-sale investment	23,743	18,655
Deferred tax assets	885	885
	57,283	49,732
<b>Current Assets</b>		
Inventories	14,144	12,175
Trade and other receivables	18,399	16,889
Deposits, cash and bank balances	156,110	156,385
	188,653	185,449
<b>Total Assets</b>	245,936	235,181
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	85,163	85,163
Share premium	28,989	28,989
Treasury shares	(1,225)	(1,225)
Other reserves	(8,177)	(11,839)
Retained earnings	111,799	106,238
Equity attributable to owners of the parent	216,549	207,326
Non-controlling interests	19,086	16,381
<b>Total equity</b>	235,635	223,707
<b>Non-Current Liability</b>		
Deferred tax liabilities	119	119
	119	119
<b>Current Liabilities</b>		
Trade and other payables	9,358	11,187
Tax liabilities	824	168
	10,182	11,355
<b>Total liabilities</b>	10,301	11,474
<b>Total Equity and Liabilities</b>	245,936	235,181
Net Assets per share (RM)	2.58	2.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For The Period Ended 31 March 2017***(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			
<b>In RM'000</b>								
<b>Balance at 30 June 2016</b>	85,163	(1,225)	28,989	(11,839)	106,238	207,326	16,381	223,707
Net profit for the period	-	-	-	-	7,658	7,658	2,669	10,327
Other comprehensive income								
- Foreign currency translation differences	-	-	-	385	-	385	176	561
- Fair value adjustment of AFS investment	-	-	-	5,088	-	5,088	-	5,088
Total comprehensive income for the period	-	-	-	5,473	7,658	13,131	2,845	15,976
Dividends paid	-	-	-	-	(2,097)	(2,097)	-	(2,097)
Dividends to non-controlling interest of a subsidiary	-	-	-	-	-	-	(140)	(140)
Deregistration of a subsidiary	-	-	-	(1,811)	-	(1,811)	-	(1,811)
<b>Balance at 31 March 2017</b>	85,163	(1,225)	28,989	(8,177)	111,799	216,549	19,086	235,635
<b>Balance at 30 June 2015</b>	85,163	(1,225)	28,989	(10,586)	103,459	205,800	18,643	224,443
Net profit for the period	-	-	-	-	2,901	2,901	1,341	4,242
Other comprehensive income								
- Foreign currency translation differences	-	-	-	213	-	213	168	381
Total comprehensive income for the period	-	-	-	213	2,901	3,114	1,509	4,623
Dividends paid	-	-	-	-	(2,097)	(2,097)	-	(2,097)
Dividends to non-controlling interests of a subsidiary	-	-	-	-	-	-	(3,465)	(3,465)
Deregistration of a subsidiary	-	-	-	(665)	233	(432)	(806)	(1,238)
<b>Balance at 31 March 2016</b>	85,163	(1,225)	28,989	(11,038)	104,496	206,385	15,881	222,266

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For The Period Ended 31 March 2017***(The figures have not been audited)*

	<b>Current Period Ended 31/03/2017 RM'000</b>	<b>Comparative Period Ended 31/03/2016 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	11,953	5,826
Adjustments for :-		
Share of results of associates	(2,381)	(3,200)
Depreciation of property, plant and equipment	531	520
Impairment loss on trade receivables	209	61
Interest income	(4,415)	(4,302)
Gain on deregistration of a subsidiary	(1,811)	(517)
Gain on disposal of property, plant and equipment	-	(4)
Other non-cash items	(5)	132
Operating profit/(loss) before working capital changes	4,081	(1,484)
Net changes in current assets	(3,248)	4,240
Net changes in current liabilities	(1,851)	340
Cash (used in)/generated from operations	(1,018)	3,096
Interest received	4,417	4,289
Income tax paid	(1,383)	(1,516)
Net cash generated from operating activities	2,016	5,869
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(63)	(458)
Proceeds from disposal of property, plant and equipment	1	4
Dividend received from associates	-	6,511
Net cash outflow on deregistration of a subsidiary	-	(721)
Net cash (used in)/generated from investing activities	(62)	5,336
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(2,097)	(2,097)
Dividends paid to non-controlling interest by a subsidiary	(140)	(3,465)
Net cash used in financing activities	(2,237)	(5,562)
Net (decrease)/increase in cash and cash equivalents	(283)	5,643
Effects of exchange rate changes	8	(25)
Cash and cash equivalents at the beginning of the period	154,815	149,031
Cash and cash equivalents at the end of the period	154,540	154,649
Cash and cash equivalents comprise :-		
Deposits with licensed financial institutions	148,990	151,893
Cash and bank balances	7,120	4,326
	156,110	156,219
Deposits pledged to licensed bank	(1,570)	(1,570)
	154,540	154,649

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)**

**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 2016.

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 2016.

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:-

	<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014-2016 Cycle :	
• Amendments to MFRS12 Disclosure of Interests in Other Entities	1 January 2017
• Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
• Amendments to MFRS 128 Investments in Associates and Joint Ventures	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15 Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

Note : \*Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

**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 2016 was not qualified.

**A3 Seasonal or Cyclical Factors**

The Group's operations for the current quarter and financial year-to-date were not materially affected by any seasonal or cyclical factors.

**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-to-date.

**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-to-date.

**A6 Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 31 March 2017, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

**A7 Dividend Paid**

During the quarter ended 31 March 2017, a final single-tier dividend of 2.5% per ordinary share of RM1 each amounting to RM2,097,070 in respect of financial year ended 30 June 2016 was paid on 19 January 2017.

**A8 Reportable Segments**

	<u>Bedding</u>	<u>Steel</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For Current Period</b>					
<b>Ended 31 March 2017</b>					
External revenue	29,557	11,285	-	-	40,842
Inter-segment revenue	-	-	32	(32)	-
	<u>29,557</u>	<u>11,285</u>	<u>32</u>	<u>(32)</u>	<u>40,842</u>
Segment results:					
Interest income	33	10	4,372	-	4,415
Depreciation	249	281	1	-	531
Reportable segment profit/(loss) before tax	765	(643)	9,450	-	9,572
Share of results of associates	345	-	2,036	-	2,381
Profit/(Loss) before tax	<u>1,110</u>	<u>(643)</u>	<u>11,486</u>	<u>-</u>	<u>11,953</u>

**NOTES (IN COMPLIANCE WITH MFRS 134)****A8 Reportable Segments (cont'd)**

	<u>Bedding</u>	<u>Steel</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For Comparative Period</b>					
<b>Ended 31 March 2016</b>					
External revenue	26,609	10,242	-	-	36,851
Inter-segment revenue	-	-	32	(32)	-
	<u>26,609</u>	<u>10,242</u>	<u>32</u>	<u>(32)</u>	<u>36,851</u>
Segment results:					
Interest income	35	11	4,256	-	4,302
Depreciation	243	277	-	-	520
Reportable segment profit/(loss) before tax	736	(2,253)	4,143	-	2,626
Share of results of associates	275	-	2,925	-	3,200
Profit/(Loss) before tax	<u>1,011</u>	<u>(2,253)</u>	<u>7,068</u>	<u>-</u>	<u>5,826</u>

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

There were no material events from the end of the quarter under review to 18 May 2017 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the current quarter and financial year-to-date.

**A10 Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year-to-date except as disclosed below.

On 6 February 2017, the Company announced that its wholly-owned subsidiary, Global Glistar Limited ("GGL") which was incorporated in Hong Kong has been deregistered on 27 January 2017 by Companies Registry in Hong Kong. Thus, GGL ceased to be a subsidiary of the Company.

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

	RM'000
Net asset	-
Less : Realisation of foreign currency translation reserve	<u>(1,811)</u>
Share of liability	(1,811)
Add : Gain on deregistration	<u>1,811</u>
Effect on deregistration of a subsidiary	<u>-</u>

**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.

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

For the current quarter, the Group reported a profit before tax of RM8.42 million on the back of RM13.85 million in revenue as compared to a profit before tax of RM0.27 million and revenue of RM11.17 million in the preceding year comparative quarter.

The bedding operations in Malaysia maintain its profit before tax albeit a 20% increase in revenue. Higher raw materials cost compounded with the weak Ringgit have impacted the gross profit margin. The stainless steel fitting operation posted a reduced loss before tax attributable to better averaged selling price and higher sales volume. Higher other income was attributable to incentives received by the associates in Jiangyin and gain on deregistration of a subsidiary in Hong Kong. Higher profit contribution was recorded by associates in Jiangyin.

**(b) Current Period vs Preceding Year Comparative Period**

For the nine month period ended 31 March 2017, the Group achieved a higher profit before tax of RM11.95 million compared with RM5.83 million in the comparative period of the preceding financial year. Revenue rose by 11% to RM40.84 million while gross profit margin improved one percentage point to 30% over the comparative period.

The bedding operations in Malaysia reported better revenue and profit before tax. The stainless steel fitting operation posted a lower loss before tax due to improved gross profit margin. Lower profit contribution recorded from associates in China mainly due to loss incurred in the power plant operations in the second quarter. Higher other income was primarily due to incentives received by the associates in Jiangyin.

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

The Group registered lower revenue of RM13.85 million for the current quarter compared with RM15.39 million registered in the immediate preceding quarter ended 31 December 2016 due to reduction in bedding revenue. A better profit before tax of RM8.42 million versus RM1.20 million in the immediate preceding quarter was recorded attributable to higher other income as disclosed in Note B1(a) above and associates in China reported profit instead of loss in the immediate preceding quarter.

**B3 Current Year Prospects**

The Group expects the performance for the remaining quarter ending 30 June 2017 to be positive. The bedding and China associates will continue to contribute positively to the Group result. The Group expects a satisfactory result for the current 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.



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

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

	Current Quarter Ended <u>31/03/2017</u> RM'000	Comparative Quarter Ended <u>31/03/2016</u> RM'000	9 Months Cumulative To Date <u>31/03/2017</u> RM'000	9 Months Cumulative To Date <u>31/03/2016</u> RM'000
Depreciation of property, plant and equipment	176	171	531	520
Gain on deregistration of a subsidiary	(1,811)	-	(1,811)	(517)
Gain on disposal of property, plant and equipment	-	(4)	-	(4)
(Gain)/Loss on foreign exchange	(9)	315	(213)	(105)
Impairment loss/(Reversal) on trade receivables	121	(57)	209	61
Interest income	(1,426)	(1,439)	(4,415)	(4,302)

Apart from the above, there were no interest expense, write off of receivables, write off of inventories, impairment of assets, gain or loss on disposal of quoted investments, gain or loss on derivatives and exceptional item for the current quarter and financial year-to-date.

**B7 Taxation**

Taxation comprises the following:-

	Current Quarter Ended <u>31/03/2017</u> RM'000	Comparative Quarter Ended <u>31/03/2016</u> RM'000	9 Months Cumulative To Date <u>31/03/2017</u> RM'000	9 Months Cumulative To Date <u>31/03/2016</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	319	364	1,082	1,061
- Foreign	400	32	442	516
Underprovision in prior year				
- Malaysia	102	7	102	7
Total tax expense	821	403	1,626	1,584

The effective tax rate of the Group (excluding the share of results of associates) for the current financial year-to-date 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 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 31 March 2017.

**B10 Derivative Financial Instruments**

The Group has no outstanding derivative financial instruments as at 31 March 2017.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB****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**

No interim dividend has been recommended by the Board of Directors in respect of the current quarter and financial year-to-date.

**B13 Earnings per Share**

The earnings per share (basic) for the current quarter and financial year-to-date are calculated by dividing the Group's net profit for the period attributable to owners of the parent with the weighted average number of shares in issue (excluding treasury shares) of 83,882,800.

**B14 Realised and Unrealised Profits or Losses**

	As at <u>31/03/2017</u> RM'000	As at <u>31/03/2016</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	107,557	102,026
- Unrealised	684	641
	<u>108,241</u>	<u>102,667</u>
Total share of retained profits from associates		
- Realised	3,642	1,895
- Unrealised	-	-
	<u>111,883</u>	<u>104,562</u>
Consolidation adjustments	(84)	(66)
Total Group retained profits as per unaudited consolidated financial statements	<u><u>111,799</u></u>	<u><u>104,496</u></u>

By Order of the Board

**FACB INDUSTRIES INCORPORATED BERHAD**

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 24 May 2017