



FACB INDUSTRIES INCORPORATED BERHAD  
197901004632 (48850-K)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME For The Second Quarter Ended 31 December 2020**  
*(The figures have not been audited)*

	<b>Current Quarter Ended 31/12/2020 RM'000</b>	<b>Comparative Quarter Ended 31/12/2019 RM'000</b>	<b>6 Months Cumulative To Date 31/12/2020 RM'000</b>	<b>6 Months Cumulative To Date 31/12/2019 RM'000</b>
Revenue	13,938	10,981	25,517	20,484
Cost of sales	(9,114)	(6,887)	(16,158)	(12,913)
Gross profit	4,824	4,094	9,359	7,571
Other income	1,056	1,504	2,272	3,071
Operating expenses	(6,092)	(4,820)	(10,136)	(9,286)
Finance costs	(50)	(35)	(98)	(73)
Share of results of associates, net of tax	1,522	568	1,420	586
Profit before tax	1,260	1,311	2,817	1,869
Tax expense	(558)	(192)	(1,280)	(358)
Net Profit for the period	702	1,119	1,537	1,511
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation	477	(95)	147	(336)
Fair value adjustment on financial assets	-	1,696	-	6,784
Total comprehensive income for the period	1,179	2,720	1,684	7,959
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(83)	860	827	1,553
Non-controlling interests	785	259	710	(42)
	702	1,119	1,537	1,511
<b>Total comprehensive income/ (loss) attributable to:</b>				
Owners of the parent	181	2,504	909	8,152
Non-controlling interests	998	216	775	(193)
	1,179	2,720	1,684	7,959
<b>(Loss)/Earnings per share for profit attributable to owners of the parent:</b>				
Basic and diluted (sen)	(0.10)	1.03	0.99	1.85

**(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 2020)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As At 31 December 2020**

	Unaudited <b>As At 31/12/2020 RM'000</b>	Audited <b>As At 30/06/2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3,307	3,309
Right-of-use assets	3,233	3,267
Intangible assets	122	150
Investment in associates	21,393	22,623
Financial asset at amortised cost	9,951	9,945
Financial asset at fair value through other comprehensive income ("FVTOCI")	37,310	37,310
	75,316	76,604
<b>Current Assets</b>		
Inventories	4,637	4,721
Trade and other receivables	10,075	7,887
Deposits, cash and bank balances	162,818	158,918
	177,530	171,526
<b>TOTAL ASSETS</b>	252,846	248,130
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	4,653	4,526
Retained earnings	109,556	108,774
	227,136	226,227
Non-controlling interests	14,673	13,961
<b>TOTAL EQUITY</b>	241,809	240,188
<b>LIABILITIES</b>		
<b>Non-Current Liability</b>		
Lease liabilities	1,883	2,048
Deferred tax liabilities	146	146
	2,029	2,194
<b>Current Liabilities</b>		
Trade and other payables	6,831	3,787
Contract liability	1,017	1,128
Lease liabilities	895	714
Tax liabilities	265	119
	9,008	5,748
<b>TOTAL LIABILITIES</b>	11,037	7,942
<b>TOTAL EQUITY AND LIABILITIES</b>	252,846	248,130
Net Assets per share (RM)	2.71	2.70

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Period Ended 31 December 2020**

*(The figures have not been audited)*

	← Attributable to Owners of the Parent →					Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
<b>In RM'000</b>							
<b>At 1 July 2020</b>	114,152	(1,225)	4,526	108,774	226,227	13,961	240,188
Net profit/(loss) for the period	-	-	-	827	827	710	1,537
Other comprehensive (loss)/income							
- Foreign currency translation	-	-	82	-	82	65	147
Total comprehensive (loss)/income for the period	-	-	82	827	909	775	1,684
Transfer of reserves of a subsidiary	-	-	45	(45)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(63)	(63)
Total transactions with owners	-	-	45	(45)	-	(63)	(63)
<b>At 31 December 2020</b>	114,152	(1,225)	4,653	109,556	227,136	14,673	241,809
<b>At 1 July 2019</b>	114,152	(1,225)	(2,520)	107,439	217,846	15,708	233,554
Net profit/(loss) for the period	-	-	-	1,553	1,553	(42)	1,511
Other comprehensive income							
- Foreign currency translation	-	-	(185)	-	(185)	(151)	(336)
- Fair value gain on financial assets at FVTOCI	-	-	6,784	-	6,784	-	6,784
Total comprehensive income/(loss) for the period	-	-	6,599	1,553	8,152	(193)	7,959
Transfer of reserves of a subsidiary	-	-	37	(37)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(42)	(42)
Total transactions with owners	-	-	37	(37)	-	(42)	(42)
<b>At 31 December 2019</b>	114,152	(1,225)	4,116	108,955	225,998	15,473	241,471

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For The Period Ended 31 December 2020**

*(The figures have not been audited)*

	<b>Current Period Ended 31/12/2020 RM'000</b>	<b>Comparative Period Ended 31/12/2019 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	2,817	1,869
Adjustments for :		
Accretion of discount on financial asset at amortised cost	(6)	(5)
Amortisation of intangible assets	28	20
Depreciation of right-of-use assets	451	425
Depreciation of property, plant and equipment	207	246
Gain on disposal of property, plant and equipment	(3)	(27)
Impairment losses on trade receivables	43	269
Interest expense on lease liabilities	98	73
Interest income	(1,952)	(3,021)
Share of results of associates, net of tax	(1,420)	(586)
Operating profit/(loss) before working capital changes	263	(737)
Net changes in current assets	(1,952)	(31)
Net changes in current liabilities	3,042	61
Net changes in contract liability	(111)	282
Cash generated from/(used in) operations	1,242	(425)
Tax paid	(1,081)	(1,102)
Tax refunded	8	376
Net cash generated from/(used in) operating activities	169	(1,151)
<b>Cash Flows from Investing Activities</b>		
Dividend received from associates	2,786	2,741
Interest received	1,699	2,404
Net placement of deposits placed with licensed banks with maturity more than three (3) months	(935)	(2,671)
Proceeds from disposal of property, plant and equipment	3	27
Purchase of property, plant and equipment	(205)	(482)
Purchase of intangible assets	-	(24)
Net cash generated from investing activities	3,348	1,995
<b>Cash Flows from Financing Activities</b>		
Dividend paid to non-controlling interest by a subsidiary	(63)	(42)
Payment of lease liabilities	(499)	(463)
Net cash used in financing activities	(562)	(505)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Period Ended 31 December 2020 (Cont'd)**

*(The figures have not been audited)*

	<b>Current Period Ended 31/12/2020 RM'000</b>	<b>Comparative Period Ended 31/12/2019 RM'000</b>
Net increase in cash and cash equivalents	2,955	339
Effects of exchange rate changes on cash and cash equivalents	10	(9)
Cash and cash equivalents at beginning of the period	7,198	10,231
Cash and cash equivalents at end of the period	10,163	10,561
 Cash and cash equivalents comprise :-		
Deposits with licensed banks	155,564	155,413
Cash and bank balances	7,254	7,729
	162,818	163,142
Deposits placed with licensed banks with maturity more than three (3) months	(152,655)	(152,581)
	10,163	10,561

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020)**

## 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 *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 *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 2020.

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 2020 except for the adoption of the following Amendments of the MFRS Framework that were issued by the MASB during the financial period:-

<b>Title</b>	<b>Effective Date</b>
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020

The adoption of the above accounting standards and interpretation (including the consequential amendments) did not have any material impact on the Group’s financial statements.

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

<b>Title</b>	<b>Effective Date</b>
<i>Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
<i>Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform-Phase 2</i>	1 January 2021
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023

## NOTES (IN COMPLIANCE WITH MFRS 134)

### A1 Basis of Preparation (cont'd)

As at the date of authorisation of the interim financial statements, the Group has not applied the following MFRS Framework that have been issued by the MASB but are not yet effective for the Group (cont'd):-

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

### A2 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2020 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 December 2020, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

### A7 Dividend Paid

No dividend was paid during the current quarter and financial year-to-date.

### A8 Reportable Segments

	<u>Bedding</u>	<u>All Other</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>For Current Period</b>				
<b>Ended 31 December 2020</b>				
External revenue	25,517	-		25,517
Inter-segment revenue	-	7,642	(7,642)	-
Total	<u>25,517</u>	<u>7,642</u>	<u>(7,642)</u>	<u>25,517</u>

**NOTES (IN COMPLIANCE WITH MFRS 134)**

**A8 Reportable Segments (cont'd)**

	<u>Bedding</u> RM'000	<u>All Other</u> <u>Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
<b>For Current Period</b>				
<b>Ended 31 December 2020</b>				
Segment results:				
Interest expense on lease liabilities	50	48	-	98
Interest income	11	1,941	-	1,952
Amortisation of intangible assets	28	-	-	28
Depreciation of right-of-use assets	287	164	-	451
Depreciation of property, plant and equipment	189	18	-	207
Gain on disposal of property, plant and equipment	3	-	-	3
Accretion of discount on financial assets at amortised cost	-	6	-	6
Impairment losses on trade receivables	43	-	-	43
Reportable segment profit before tax	2,556	(1,159)	-	1,397
Share of results of associates	-	1,420	-	1,420
<b>Total</b>	<b>2,556</b>	<b>261</b>	<b>-</b>	<b>2,817</b>
<b>For Comparative Period</b>				
<b>Ended 31 December 2019</b>				
External revenue	20,484	-	-	20,484
Inter-segment revenue	-	127	(127)	-
<b>Total</b>	<b>20,484</b>	<b>127</b>	<b>(127)</b>	<b>20,484</b>
Segment results:				
Interest expense on lease liabilities	16	57	-	73
Interest income	26	2,995	-	3,021
Amortisation of intangible assets	20	-	-	20
Depreciation of right-of-use assets	263	162	-	425
Depreciation of property, plant and equipment	234	12	-	246
Gain on disposal of property, plant and equipment	-	27	-	27
Accretion of discount on financial assets at amortised cost	-	5	-	5
Impairment losses on trade receivables	269	-	-	269
Reportable segment profit before tax	(230)	1,513	-	1,283
Share of results of associates	-	586	-	586
<b>Total</b>	<b>(230)</b>	<b>2,099</b>	<b>-</b>	<b>1,869</b>



## NOTES (IN COMPLIANCE WITH MFRS 134)

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

There were no material events from the end of the quarter to 18 February 2021 (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-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.

### 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 RM1.26 million on the back of RM13.94 million in revenue compared with the profit before tax of RM1.31 million and revenue of RM10.98 million in the preceding year comparative quarter.

Revenue for bedding operation in Malaysia increased by 32% to RM12.99 million mainly due to improved consumer sales performance. It recorded higher profit before tax at RM1.22 million compared to net loss RM0.06 million in the comparative quarter. Associates in China recorded better performance in current quarter compared to preceding year comparative quarter. The Group recorded higher operating expenses this quarter due to professional fees incurred.

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

For the current period, the Group reported higher profit before tax of RM2.82 million compared to RM1.87 million in preceding year comparative period. Revenue grew by 25% to RM25.52 million compared to preceding year comparative period.

The bedding operation in Malaysia reported higher profit before tax of RM2.43 million compared to net loss of RM0.38 million in comparative period mainly due to a 29% growth in revenue. Higher profit contribution was recorded from associates in power business.

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

The Group registered higher revenue of RM13.94 million for the current quarter compared to RM11.58 million registered in the immediate preceding quarter ended 30 September 2020, representing sales growth 20%. However, lower profit before tax of RM1.26 million reported for the current quarter versus RM1.56 million in the immediate preceding quarter due to higher operating expenses incurred for the current quarter. For the current quarter, higher profit contribution was recorded from associates in power business.

### B3 Current Year Prospects

The Group expects the performance for the financial year ending 30 June 2021 to remain challenging due to unsettling Covid-19 pandemic.

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

**B3 Current Year Prospects (cont'd)**

The 2<sup>nd</sup> Movement Control Order (MCO) from 13 January 2021 is expected to impact the Group performance in the coming quarter. The Group will continue to strive for operational efficiency and product innovation with affordable pricing to boost up sales.

The Group will continue to look for new business opportunities for merger and acquisitions.

**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>31/12/2020</u> RM'000	Comparative Quarter Ended <u>31/12/2019</u> RM'000	6 Months Cumulative To Date <u>31/12/2020</u> RM'000	6 Months Cumulative To Date <u>31/12/2019</u> RM'000
Amortisation of intangible assets	14	13	28	20
Depreciation of property, plant and equipment	104	128	207	246
Depreciation of right-of-use assets	248	213	451	425
Gain on disposal of property, plant and equipment	(3)	-	(3)	(27)
Impairment loss on trade receivables	-	137	43	269
Interest expense on lease liabilities	50	35	98	73
Interest income	(911)	(1,484)	(1,952)	(3,021)
Loss on foreign exchange	-	-	23	62

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 investments, gain or loss on derivatives and other material items for the current quarter and financial year-to-date.

**B7 Tax expense**

Tax expense comprises the following:-

	Current Quarter Ended <u>31/12/2020</u> RM'000	Comparative Quarter Ended <u>31/12/2019</u> RM'000	6 Months Cumulative To Date <u>31/12/2020</u> RM'000	6 Months Cumulative To Date <u>31/12/2019</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	550	182	992	346
- Foreign	8	10	288	12
Total tax expense	558	192	1,280	358

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

**B7 Tax expense (cont'd)**

The effective tax rate of the Group (excluding the share of results of associates) for the current period to date was higher than the statutory rate due principally to certain expenses not being deductible for tax purposes.

**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 31 December 2020.

**B10 Derivative Financial Instruments**

The Group has no outstanding derivative financial instruments as at 31 December 2020.

**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 (Loss)/Earnings per Share**

The (loss)/earnings per share (basic) for the current quarter and financial year-to-date are calculated by dividing the Group's net (loss)/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.

	Current Quarter Ended 31/12/2020 RM'000	Comparative Quarter Ended 31/12/2019 RM'000	6 Months Cumulative To Date 31/12/2020 RM'000	6 Months Cumulative To Date 31/12/2019 RM'000
Net (loss)/profit attributable to owners of the parent	<u>(83)</u>	<u>860</u>	<u>827</u>	<u>1,553</u>

By Order of the Board

**FACB INDUSTRIES INCORPORATED BERHAD**

LEE BOO TIAN  
LS 0007987  
PC NO. 202008002588  
Group Company Secretary

Kuala Lumpur  
Date : 24 February 2021