



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME For The Third Quarter Ended 31 March 2021**  
*(The figures have not been audited)*

	<b>Current Quarter Ended 31/03/2021 RM'000</b>	<b>Comparative Quarter Ended 31/03/2020 RM'000</b>	<b>9 Months Cumulative To Date 31/03/2021 RM'000</b>	<b>9 Months Cumulative To Date 31/03/2020 RM'000</b>
Revenue	11,834	7,065	37,351	27,549
Cost of sales	(7,163)	(4,606)	(23,321)	(17,519)
Gross profit	4,671	2,459	14,030	10,030
Other income	911	1,433	3,183	4,504
Operating expenses	(4,253)	(3,618)	(14,389)	(12,904)
Finance costs	(46)	(31)	(144)	(104)
Share of results of associates, net of tax	1,222	1,179	2,642	1,765
Profit before tax	2,505	1,422	5,322	3,291
Tax expense	(400)	(74)	(1,680)	(432)
Net Profit for the period	2,105	1,348	3,642	2,859
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation	295	303	442	(33)
Fair value adjustment on financial assets	-	-	-	6,784
Total comprehensive income for the period	2,400	1,651	4,084	9,610
<b>Profit attributable to:</b>				
Owners of the parent	1,476	894	2,303	2,447
Non-controlling interests	629	454	1,339	412
	2,105	1,348	3,642	2,859
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,639	1,061	2,548	9,213
Non-controlling interests	761	590	1,536	397
	2,400	1,651	4,084	9,610
<b>Earnings per share for profit attributable to owners of the parent:</b>				
Basic and diluted (sen)	1.76	1.07	2.75	2.92

**(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 March 2021**

	Unaudited <b>As At 31/03/2021 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	3,256	3,309
Right-of-use assets	2,935	3,267
Intangible assets	139	150
Investment in associates	22,899	22,623
Financial asset at amortised cost	9,953	9,945
Financial asset at fair value through other comprehensive income ("FVTOCI")	37,310	37,310
	76,492	76,604
<b>Current Assets</b>		
Inventories	6,615	4,721
Trade and other receivables	7,098	7,887
Deposits, cash and bank balances	165,948	158,918
	179,661	171,526
<b>TOTAL ASSETS</b>	256,153	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	4,816	4,526
Retained earnings	111,032	108,774
	228,775	226,227
Non-controlling interests	15,434	13,961
<b>TOTAL EQUITY</b>	244,209	240,188
<b>LIABILITIES</b>		
<b>Non-Current Liability</b>		
Lease liabilities	1,628	2,048
Deferred tax liabilities	146	146
	1,774	2,194
<b>Current Liabilities</b>		
Trade and other payables	7,777	3,787
Contract liability	1,115	1,128
Lease liabilities	868	714
Tax liabilities	410	119
	10,170	5,748
<b>TOTAL LIABILITIES</b>	11,944	7,942
<b>TOTAL EQUITY AND LIABILITIES</b>	256,153	248,130
Net Assets per share (RM)	2.73	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 March 2021**

*(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 for the period	-	-	-	2,303	2,303	1,339	3,642
Other comprehensive income							
- Foreign currency translation	-	-	245	-	245	197	442
Total comprehensive income for the period	-	-	245	2,303	2,548	1,536	4,084
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 March 2021</b>	114,152	(1,225)	4,816	111,032	228,775	15,434	244,209
<b>At 1 July 2019</b>	114,152	(1,225)	(2,520)	107,439	217,846	15,708	233,554
Net profit for the period	-	-	-	2,447	2,447	412	2,859
Other comprehensive income							
- Foreign currency translation	-	-	(18)	-	(18)	(15)	(33)
- Fair value gain on financial assets at FVTOCI	-	-	6,784	-	6,784	-	6,784
Total comprehensive income for the period	-	-	6,766	2,447	9,213	397	9,610
Transfer of reserves of a subsidiary	-	-	37	(37)	-	-	-
Dividend paid	-	-	-	(839)	(839)	-	(839)
Dividend to non-controlling interest	-	-	-	-	-	(42)	(42)
Total transactions with owners	-	-	37	(876)	(839)	(42)	(881)
<b>At 31 March 2020</b>	114,152	(1,225)	4,283	109,010	226,220	16,063	242,283

**(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 March 2021**

*(The figures have not been audited)*

	<b>Current Period Ended 31/03/2021 RM'000</b>	<b>Comparative Period Ended 31/03/2020 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	5,322	3,291
Adjustments for :		
Accretion of discount on financial asset at amortised cost	(8)	(8)
Amortisation of intangible assets	33	34
Depreciation of right-of-use assets	678	637
Depreciation of property, plant and equipment	315	375
Gain on disposal of property, plant and equipment	(3)	(27)
Gain on modification of leases	(4)	-
Impairment losses on trade receivables	43	489
Interest expense on lease liabilities	144	104
Interest income	(2,831)	(4,451)
Reversal of impairment loss on trade receivables	(150)	-
Share of results of associates, net of tax	(2,642)	(1,765)
Operating profit/(loss) before working capital changes	897	(1,321)
Net changes in current assets	(961)	(67)
Net changes in current liabilities	3,986	(1,375)
Net changes in contract liability	(13)	110
Cash generated from/(used in) operations	3,909	(2,653)
Tax paid	(1,458)	(1,482)
Tax refunded	8	468
Net cash generated from/(used in) operating activities	2,459	(3,667)
<b>Cash Flows from Investing Activities</b>		
Dividend received from associates	2,786	2,741
Interest received	2,864	4,244
Net (placement)/withdrawal of deposits placed with licensed banks with maturity more than three (3) months	(897)	1,074
Proceeds from disposal of property, plant and equipment	3	27
Purchase of property, plant and equipment	(262)	(487)
Purchase of intangible assets	(22)	(154)
Net cash generated from investing activities	4,472	7,445
<b>Cash Flows from Financing Activities</b>		
Dividend paid	-	(839)
Dividend paid to non-controlling interest by a subsidiary	(63)	(42)
Payment of lease liabilities	(752)	(696)
Net cash used in financing activities	(815)	(1,577)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Period Ended 31 March 2021 (Cont'd)**

*(The figures have not been audited)*

	<b>Current Period Ended 31/03/2021 RM'000</b>	<b>Comparative Period Ended 31/03/2020 RM'000</b>
Net increase in cash and cash equivalents	6,116	2,201
Effects of exchange rate changes on cash and cash equivalents	17	(1)
Cash and cash equivalents at beginning of the period	7,198	10,231
Cash and cash equivalents at end of the period	13,331	12,431
Cash and cash equivalents comprise :-		
Deposits with licensed banks	154,708	151,545
Cash and bank balances	11,240	9,722
	165,948	161,267
Deposits placed with licensed banks with maturity more than three (3) months	(152,617)	(148,836)
	13,331	12,431

**(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:-

Title	Effective Date
<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:-

Title	Effective Date
<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
<i>MFRS 17 Insurance Contracts</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
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</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 March 2021, 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	Segments	RM'000	RM'000
<b>For Current Period</b>				
<b>Ended 31 March 2021</b>				
External revenue	37,351	-		37,351
Inter-segment revenue	-	7,667	(7,667)	-
<b>Total</b>	<b>37,351</b>	<b>7,667</b>	<b>(7,667)</b>	<b>37,351</b>

**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 March 2021</b>				
Segment results:				
Interest expense on lease liabilities	75	69	-	144
Interest income	17	2,814	-	2,831
Amortisation of intangible assets	33	-	-	33
Depreciation of right-of-use assets	437	241	-	678
Depreciation of property, plant and equipment	288	27	-	315
Gain on disposal of property, plant and equipment	3	-	-	3
Gain on modification of leases	4	-	-	4
Accretion of discount on financial assets at amortised cost	-	8	-	8
Impairment losses on trade receivables	43	-	-	43
Reversal of impairment loss on trade receivables	150	-	-	150
Reportable segment profit before tax	3,612	(932)	-	2,680
Share of results of associates	-	2,642	-	2,642
<b>Total</b>	<b>3,612</b>	<b>1,710</b>	<b>-</b>	<b>5,322</b>
<b>For Comparative Period</b>				
<b>Ended 31 March 2020</b>				
External revenue	27,549	-	-	27,549
Inter-segment revenue	-	152	(152)	-
<b>Total</b>	<b>27,549</b>	<b>152</b>	<b>(152)</b>	<b>27,549</b>
Segment results:				
Interest expense on lease liabilities	20	84	-	104
Interest income	39	4,412	-	4,451
Amortisation of intangible assets	34	-	-	34
Depreciation of right-of-use assets	395	242	-	637
Depreciation of property, plant and equipment	354	21	-	375
Gain on disposal of property, plant and equipment	-	27	-	27
Accretion of discount on financial assets at amortised cost	-	8	-	8
Impairment losses on trade receivables	489	-	-	489
Reportable segment profit before tax	(762)	2,288	-	1,526
Share of results of associates	-	1,765	-	1,785
<b>Total</b>	<b>(762)</b>	<b>4,053</b>	<b>-</b>	<b>3,291</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 15 May 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 RM2.51 million on the back of RM11.83 million in revenue compared with the profit before tax of RM1.42 million and revenue of RM7.07 million in the preceding year comparative quarter.

Revenue for bedding operation in Malaysia increased by 71% to RM11.19 million mainly due to improved consumer sales performance. It recorded profit before tax at RM1.03 million compared to loss RM0.54 million in the comparative quarter. The improve profit performance was due to higher revenue and better gross profit margin. Associates in China recorded better performance due to rebound in power demand as business activities recovered.

(b) Current Period vs Preceding Year Comparative Period

For the current period, the Group reported higher profit before tax of RM5.32 million compared to RM3.29 million in preceding year comparative period. Revenue grew by 36% to RM37.35 million compared to preceding year comparative period.

The bedding operation in Malaysia reported profit before tax of RM3.46 million compared to loss of RM0.92 million in comparative period mainly due to 40% growth in revenue. China associates in power business recorded higher profit due to recovery of business activities during the current period. The Group recorded higher operating expenses in current period due to professional fees incurred.

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

The Group registered lower revenue of RM11.83 million for the current quarter compared to RM13.94 million registered in the immediate preceding quarter ended 31 December 2020 due to lower revenue from bedding operation in Malaysia. The Group recorded higher profit before tax of RM2.51 million for the current quarter compared to RM1.26 million in the immediate preceding quarter due to higher operating expenses incurred in the immediate preceding quarter.

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

**B3 Current Year Prospects**

The Group expects the performance for the remaining quarter ending 30 June 2021 to be satisfactory with consumer sentiment improving gradually as the vaccines programme begin to roll-out on a wider scale.

The bedding division will continue to increase its efforts to reinforce Chiro's positioning as the Real Back Care mattress. Strategic promotions and introducing new products to increase sales with affordable pricing.

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>31/03/2021</u> RM'000	Comparative Quarter Ended <u>31/03/2020</u> RM'000	9 Months Cumulative To Date <u>31/03/2021</u> RM'000	9 Months Cumulative To Date <u>31/03/2020</u> RM'000
Amortisation of intangible assets	5	14	33	34
Depreciation of property, plant and equipment	108	129	315	375
Depreciation of right-of-use assets	227	212	678	637
Gain on disposal of property, plant and equipment	-	-	(3)	(27)
Gain on modification of leases	(4)	-	(4)	-
Impairment loss on trade receivables	-	220	43	489
Interest expense on lease liabilities	46	31	144	104
Interest income	(879)	(1,430)	(2,831)	(4,451)
Loss on foreign exchange	-	-	23	62
Reversal of impairment loss on trade receivables	(150)	-	(150)	-

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.

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

**B7 Tax expense**

Tax expense comprises the following:-

	Current Quarter Ended 31/03/2021 RM'000	Comparative Quarter Ended 31/03/2020 RM'000	9 Months Cumulative To Date 31/03/2021 RM'000	9 Months Cumulative To Date 31/03/2020 RM'000
<u>Current tax</u>				
Current year - Malaysia	399	74	1,391	420
- Foreign	1	-	289	12
Total tax expense	400	74	1,680	432

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 March 2021.

**B10 Derivative Financial Instruments**

The Group has no outstanding derivative financial instruments as at 31 March 2021.

**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.

	Current Quarter Ended 31/03/2021 RM'000	Comparative Quarter Ended 31/03/2020 RM'000	9 Months Cumulative To Date 31/03/2021 RM'000	9 Months Cumulative To Date 31/03/2020 RM'000
Net profit attributable to owners of the parent	1,476	894	2,303	2,447

By Order of the Board

**FACB INDUSTRIES INCORPORATED BERHAD**

LEE BOO TIAN

LS 0007987

PC NO. 202008002588

Group Company Secretary

Kuala Lumpur

Date : 21 May 2021