



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME For The First Quarter Ended 30 September 2021**
(The figures have not been audited)

	Current Quarter Ended 30/09/2021 RM'000	Comparative Quarter Ended 30/09/2020 RM'000
Revenue	5,461	11,579
Cost of sales	(4,254)	(7,044)
Gross profit	1,207	4,535
Other income	1,162	1,216
Operating expenses	(2,970)	(4,044)
Finance costs	(38)	(48)
Share of results of associates, net of tax	277	(102)
(Loss)/Profit before tax	(362)	1,557
Tax expense	136	(722)
Net (loss)/profit for the quarter	(226)	835
Other comprehensive income/(loss), net of tax effect:		
Foreign currency translation	389	(330)
Fair value adjustment on financial assets	-	-
Total comprehensive income for the quarter	163	505
(Loss)/ Profit attributable to:		
Owners of the parent	(227)	910
Non-controlling interests	1	(75)
	(226)	835
Total comprehensive income/(loss) attributable to:		
Owners of the parent	(11)	728
Non-controlling interests	174	(223)
	163	505
(Loss)/Earnings per ordinary share attributable to equity holders of the Company (sen):		
Basic and diluted	(0.27)	1.08

(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 2021)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 September 2021

	Unaudited As At 30/09/2021 RM'000	Audited As At 30/06/2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,321	3,411
Right-of-use assets	2,485	2,710
Intangible assets	92	101
Investment in associates	21,052	20,401
Financial asset at amortised cost	9,959	9,956
Financial asset at fair value through other comprehensive income ("FVTOCI")	23,743	23,743
	60,652	60,322
Current Assets		
Inventories	5,427	6,942
Trade and other receivables	7,666	7,524
Deposits, cash and bank balances	162,557	163,498
	175,650	177,964
TOTAL ASSETS	236,302	238,286
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	(8,454)	(8,670)
Retained earnings	109,918	110,145
	214,391	214,402
Non-controlling interests	14,513	14,339
TOTAL EQUITY	228,904	228,741
LIABILITIES		
Non-Current Liability		
Lease liabilities	1,179	1,403
Deferred tax liabilities	163	163
	1,342	1,566
Current Liabilities		
Trade and other payables	4,099	5,610
Contract liability	1,064	1,472
Lease liabilities	892	882
Tax liabilities	1	15
	6,056	7,979
TOTAL LIABILITIES	7,398	9,545
TOTAL EQUITY AND LIABILITIES	236,302	238,286
Net Assets per share (RM)	2.56	2.56

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 September 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		
In RM'000							
At 1 July 2021	114,152	(1,225)	(8,670)	110,145	214,402	14,339	228,741
Net (loss)/ profit for the quarter	-	-	-	(227)	(227)	1	(226)
Other comprehensive (loss)/income							
- Foreign currency translation	-	-	216	-	216	173	389
Total comprehensive income/(loss) for the quarter	-	-	216	(227)	(11)	174	163
At 30 September 2021	114,152	(1,225)	(8,454)	109,918	214,391	14,513	228,904
At 1 July 2020	114,152	(1,225)	4,526	108,774	226,227	13,961	240,188
Net profit/(loss) for the quarter	-	-	-	910	910	(75)	835
Other comprehensive (loss)/income							
- Foreign currency translation	-	-	(182)	-	(182)	(148)	(330)
Total comprehensive (loss)/income for the quarter	-	-	(182)	910	728	(223)	505
Transfer of reserves of a subsidiary	-	-	45	(45)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(63)	(63)
Total transactions with owners	-	-	45	(45)	-	(63)	(63)
At 30 September 2020	114,152	(1,225)	4,389	109,639	226,955	13,675	240,630

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The First Quarter Ended 30 September 2021

(The figures have not been audited)

	Current Quarter Ended 30/09/2021 RM'000	Comparative Quarter Ended 30/09/2020 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(362)	1,557
Adjustments for :		
Accretion of discount on financial asset at amortised cost	(3)	(3)
Amortisation of intangible assets	9	14
Depreciation of right-of-use assets	225	203
Depreciation of property, plant and equipment	104	103
Impairment losses on trade receivables	114	43
Interest expense on lease liabilities	38	48
Interest income	(897)	(1,041)
Share of results of associates, net of tax	(277)	102
Operating (loss)/profit before working capital changes	(1,049)	1,026
Net changes in current assets	1,817	424
Net changes in current liabilities	(1,514)	2,697
Net changes in contract liability	(408)	22
Cash (used in)/generated from operations	(1,154)	4,169
Tax paid	(524)	(432)
Withholding tax paid	-	(279)
Tax refunded	-	8
Net cash (used in)/from operating activities	(1,678)	3,466
Cash Flows from Investing Activities		
Dividend received from associates	-	2,786
Interest received	994	950
Net (placement)/withdrawal of deposits placed with licensed banks with maturity more than three (3) months	(641)	2,700
Purchase of property, plant and equipment	(14)	(44)
Net cash from investing activities	339	6,392
Cash Flows from Financing Activities		
Dividend paid to non-controlling interest by a subsidiary	-	(63)
Payment of lease liabilities	(252)	(227)
Net cash used in financing activities	(252)	(290)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 30 September 2021 (Cont'd)

(The figures have not been audited)

	Current Quarter Ended 30/09/2021 RM'000	Comparative Quarter Ended 30/09/2020 RM'000
Net (decrease)/increase in cash and cash equivalents	(1,591)	9,568
Effects of exchange rate changes on cash and cash equivalents	9	(3)
Cash and cash equivalents at beginning of the quarter	10,918	7,198
Cash and cash equivalents at end of the quarter	9,336	16,763
Cash and cash equivalents comprise :-		
Deposits with licensed banks	155,226	152,873
Cash and bank balances	7,331	12,910
	162,557	165,783
Deposits placed with licensed banks with maturity more than three (3) months	(153,221)	(149,020)
	9,336	16,763

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

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 2021.

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 2021 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
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform-Phase 2</i>	1 January 2021

The adoption of the above 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 have not been early adopted by the Group:-

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
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 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</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 Standard and Amendments since the effects would only be observable for future financial years.

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 2021 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 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.

A8 Reportable Segments

	<u>Bedding</u> RM'000	<u>All Other Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Quarter				
Ended 30 September 2021				
External revenue	5,461	-	-	5,461
Inter-segment revenue	-	25	(25)	-
Total	5,461	25	(25)	5,461
Segment results:				
Interest expense on lease liabilities	(19)	(19)	-	(38)
Interest income	7	890	-	897
Amortisation of intangible assets	(9)	-	-	(9)
Depreciation of right-of-use assets	(145)	(80)	-	(225)
Depreciation of property, plant and equipment	(95)	(9)	-	(104)
Reportable segment profit before tax	(952)	313	-	(639)
Share of results of associates	-	277	-	277
Total	(952)	590	-	(362)

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
For Comparative Quarter				
Ended 30 September 2020				
External revenue	11,579	-	-	11,579
Inter-segment revenue	-	2,928	(2,928)	-
Total	11,579	2,928	(2,928)	11,579
Segment results:				
Interest expense on lease liabilities	(23)	(25)	-	(48)
Interest income	3	1,038	-	1,041
Amortisation of intangible assets	(14)	-	-	(14)
Depreciation of right-of-use assets	(122)	(81)	-	(203)
Depreciation of property, plant and equipment	(94)	(9)	-	(103)
Reportable segment profit before tax	1,270	389	-	1,659
Share of results of associates	-	(102)	-	(102)
Total	1,270	287	-	1,557

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 November 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.

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.

NOTES (IN COMPLIANCE WITH MFRS 134)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B1 Performance Review

Current Quarter vs Preceding Year Comparative Quarter

For the current quarter, the Group reported a loss before tax of RM0.36 million on the back of RM5.46 million in revenue compared with the profit before tax of RM1.56 million and revenue of RM11.58 million in the preceding year comparative quarter.

The bedding operation in Malaysia recorded a loss before tax of RM1.01 million compared to profit before tax of RM1.21 million in the preceding year comparative quarter. Revenue reported at RM4.74 million for current quarter decreased by RM6.05 million or 56% as compared to RM10.79 million in the preceding year comparative quarter. The current quarter performance was adversely affected by the Movement Control Order (MCO) from July to middle of September. Associates in China recorded a net profit of RM0.28 million for the current quarter.

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

The Group registered lower revenue of RM5.46 million for the current quarter compared to RM7.95 million registered in the immediate preceding quarter ended 30 June 2021. A pre-tax loss of RM0.36 million reported for the current quarter versus RM1.94 million in the immediate preceding quarter. Both quarter results were impacted by the imposition of the MCO from 1 June 2021 and it subsequently entered into various phases under the National Recovery Plan. Share of results of associates contributed RM0.28 million profit compared to RM2.95 million loss, due to assets impairment amounted to RM3.42 million in the immediate preceding quarter.

B3 Current Year Prospects

The Group expects performance for the current financial year to be challenging. The reopening of most economic sectors enabled business operations returning to normal. Consumer confidence will determine the performance for the rest of the year.

The Group continues to introduce new bedding products and emphasised operational efficiency and effective cost control.

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

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

	Current Quarter Ended <u>30/09/2021</u> RM'000	Comparative Quarter Ended <u>30/09/2020</u> RM'000
Accretion of discount on financial asset at amortised cost	(3)	(3)
Amortisation of intangible assets	9	14
Depreciation of property, plant and equipment	104	103
Depreciation of right-of-use assets	225	203
Impairment losses on trade receivables	114	43
Interest expense on lease liabilities	38	48
Interest income	(897)	(1,041)
Loss on foreign exchange	-	23

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.

B7 Tax expense

Tax expense comprises the following:-

	Current Quarter Ended <u>30/09/2021</u> RM'000	Comparative Quarter Ended <u>30/09/2020</u> RM'000
<u>Current tax</u>		
Current year – Malaysia	(137)	442
- Foreign	1	280
Total tax expense	<u>(136)</u>	<u>722</u>

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 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 2021.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B10 Derivative Financial Instruments

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

B13 (Loss)/Earnings per Share

The (loss)/earnings per share (basic) for the current quarter and preceding year comparative quarter are calculated by dividing the Group's net (loss)/profit 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 <u>30/09/2021</u> RM'000	Comparative Quarter Ended <u>30/09/2020</u> RM'000
Net profit attributable to owners of the parent	<u>(227)</u>	<u>910</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 November 2021