



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 2021**
(The figures have not been audited)

	Current Quarter Ended 31/12/2021 RM'000	Comparative Quarter Ended 31/12/2020 RM'000	6 Months Cumulative To Date 31/12/2021 RM'000	6 Months Cumulative To Date 31/12/2020 RM'000
Revenue	12,582	13,938	18,043	25,517
Cost of sales	(7,362)	(9,114)	(11,616)	(16,158)
Gross profit	5,220	4,824	6,427	9,359
Other income	1,157	1,056	2,319	2,272
Operating expenses	(4,235)	(6,092)	(7,205)	(10,136)
Finance costs	(24)	(50)	(62)	(98)
Share of results of associates, net of tax	4,004	1,522	4,281	1,420
Profit before tax	6,122	1,260	5,760	2,817
Tax expense	(822)	(558)	(686)	(1,280)
Net Profit for the period	5,300	702	5,074	1,537
Other comprehensive income:				
Foreign currency translation	165	477	554	147
Total comprehensive income for the period	5,465	1,179	5,628	1,684
Profit/(Loss) attributable to:				
Owners of the parent	3,474	(83)	3,247	827
Non-controlling interests	1,826	785	1,827	710
	5,300	702	5,074	1,537
Total comprehensive income attributable to:				
Owners of the parent	3,564	181	3,553	909
Non-controlling interests	1,901	998	2,075	775
	5,465	1,179	5,628	1,684
Earnings/(Loss) per share for profit attributable to owners of the parent:				
Basic and diluted (sen)	4.14	(0.10)	3.87	0.99

(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 31 December 2021

	Unaudited As At 31/12/2021 RM'000	Audited As At 30/06/2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,262	3,411
Right-of-use assets	2,310	2,710
Intangible assets	84	101
Investment in associates	22,255	20,401
Financial asset at amortised cost	29,726	9,956
Financial asset at fair value through other comprehensive income ("FVTOCI")	23,743	23,743
	81,380	60,322
Current Assets		
Inventories	6,983	6,942
Trade and other receivables	9,823	7,524
Deposits, cash and bank balances	147,893	163,498
	164,699	177,964
TOTAL ASSETS	246,079	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	(8,341)	(8,670)
Retained earnings	113,369	110,145
	217,955	214,402
Non-controlling interests	16,368	14,339
TOTAL EQUITY	234,323	228,741
LIABILITIES		
Non-Current Liability		
Lease liabilities	1,016	1,403
Deferred tax liabilities	163	163
	1,179	1,566
Current Liabilities		
Trade and other payables	8,070	5,610
Contract liability	1,623	1,472
Lease liabilities	883	882
Tax liabilities	1	15
	10,577	7,979
TOTAL LIABILITIES	11,756	9,545
TOTAL EQUITY AND LIABILITIES	246,079	238,286
Net Assets per share (RM)	2.60	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 Period Ended 31 December 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 profit for the period	-	-	-	3,247	3,247	1,827	5,074
Other comprehensive income							
- Foreign currency translation	-	-	306	-	306	248	554
Total comprehensive income for the period	-	-	306	3,247	3,553	2,075	5,628
Transfer of reserves of a subsidiary	-	-	23	(23)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(46)	(46)
Total transactions with owners	-	-	23	(23)	-	(46)	(46)
At 31 December 2021	114,152	(1,225)	(8,341)	113,369	217,955	16,368	234,323
At 1 July 2020	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 income							
- Foreign currency translation	-	-	82	-	82	65	147
Total comprehensive 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)
At 31 December 2020	114,152	(1,225)	4,653	109,556	227,136	14,673	241,809

(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 Period Ended 31 December 2021

(The figures have not been audited)

	Current Period Ended 31/12/2021 RM'000	Comparative Period Ended 31/12/2020 RM'000
Cash Flows from Operating Activities		
Profit before tax	5,760	2,817
Adjustments for:		
Accretion of discount on financial asset at amortised cost	(10)	(6)
Amortisation of intangible assets	17	28
Depreciation of right-of-use assets	400	451
Depreciation of property, plant and equipment	208	207
Gain on disposal of property, plant and equipment	-	(3)
Impairment losses on trade receivables	236	43
Interest expense on lease liabilities	62	98
Interest income	(1,850)	(1,952)
Reversal of impairment loss on trade receivables	(4)	-
Share of results of associates, net of tax	(4,281)	(1,420)
Operating profit before working capital changes	538	263
Net changes in current assets	(2,058)	(1,952)
Net changes in current liabilities	2,443	3,042
Net changes in contract liability	151	(111)
Cash generated from operations	1,074	1,242
Tax paid	(1,240)	(1,081)
Tax refunded	-	8
Net cash (used in)/ generated from operating activities	(166)	169
Cash Flows from Investing Activities		
Acquisition of financial assets at amortised cost	(19,760)	-
Dividend received from associates	2,966	2,786
Interest received	1,893	1,699
Net withdrawal/ (placement) of deposits placed with licensed banks with maturity more than three (3) months	16,689	(935)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(59)	(205)
Net cash generated from investing activities	1,729	3,348
Cash Flows from Financing Activities		
Dividend paid to non-controlling interest by a subsidiary	(46)	(63)
Payment of lease liabilities	(448)	(499)
Net cash used in financing activities	(494)	(562)

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

(The figures have not been audited)

	Current Period Ended 31/12/2021 RM'000	Comparative Period Ended 31/12/2020 RM'000
Net increase in cash and cash equivalents	1,069	2,955
Effects of exchange rate changes on cash and cash equivalents	15	10
Cash and cash equivalents at beginning of the period	10,918	7,198
Cash and cash equivalents at end of the period	12,002	10,163
Cash and cash equivalents comprise:		
Deposits with licensed banks	138,101	155,564
Cash and bank balances	9,792	7,254
	147,893	162,818
Deposits placed with licensed banks with maturity more than three (3) months	(135,891)	(152,655)
	12,002	10,163

(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 are not yet effective for 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 17 <i>Initial Application of MFRS 17 and MFRS 19-Comparative Information</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 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.

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 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 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> RM'000	<u>All Other Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Period				
Ended 31 December 2021				
External revenue	18,043	-	-	18,043
Inter-segment revenue	-	3,100	(3,100)	-
Total	<u>18,043</u>	<u>3,100</u>	<u>(3,100)</u>	<u>18,043</u>

NOTES (IN COMPLIANCE WITH MFRS 134)

A8 Reportable Segments (cont'd)

	<u>Bedding</u> RM'000	<u>All Other Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Period				
Ended 31 December 2021				
Segment results:				
Interest expense on lease liabilities	37	25	-	62
Interest income	14	1,836	-	1,850
Amortisation of intangible assets	17	-	-	17
Depreciation of right-of-use assets	290	110	-	400
Depreciation of property, plant and equipment	190	18	-	208
Reportable segment profit before tax	724	755	-	1,479
Share of results of associates	-	4,281	-	4,281
Total	724	5,036	-	5,760

	<u>Bedding</u> RM'000	<u>All Other Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Period				
Ended 31 December 2020				
External revenue	25,517	-	-	25,517
Inter-segment revenue	-	7,642	(7,642)	-
Total	25,517	7,642	(7,642)	25,517
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
Reportable segment profit before tax	2,556	(1,159)	-	1,397
Share of results of associates	-	1,420	-	1,420
Total	2,556	261	-	2,817

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

There were no material events from the end of the quarter to 17 February 2022 (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.

NOTES (IN COMPLIANCE WITH MFRS 134)

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 (PBT) of RM6.12 million on the back of RM12.58 million in revenue as compared with PBT of RM1.26 million and revenue of RM13.94 million in the preceding year comparative quarter.

The bedding operation in Malaysia recorded PBT of RM1.62 million compared to PBT of RM1.22 million registered in the preceding year comparative quarter. Revenue reported at RM11.85 million for current quarter decreased by RM1.14 million or 9% as compared to RM12.99 million in the preceding year comparative quarter. Associates in China recorded a net profit of RM4.00 million for the current quarter, which included a one-time gain of RM3.38 million from disposal of electricity quota.

(b) Current Period vs Preceding Year Comparative Period

The Group registered lower revenue of RM18.04 million for the current quarter compared to RM25.52 million registered in the preceding year comparative period. The Group reported higher PBT of RM5.76 million as compared to RM2.82 million in preceding year comparative period.

The bedding operation in Malaysia reported lower PBT of RM0.61 million compared to RM2.43 million in comparative period mainly due to operation interruption resulted in 30% drop in revenue from RM23.77 million to RM16.59 million. Associates in China contributed higher net profit of RM4.28 million against RM1.42 million.

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

The Group revenue increased from RM5.46 million to RM12.58 million, representing sales growth of RM7.12 million or 130% as compared with immediate preceding quarter ended 30 September 2021. In line with strong sales and improved gross profit margin after operation interruption in the preceding quarter, the Group reported PBT of RM6.12 million which included a one-time gain of RM3.38 million as compared to loss before tax at RM0.36 million in the immediate preceding quarter.

B3 Current Year Prospects

The reopening of most economic sectors will auger well for economic growth for the remaining period of the financial year. The Group is cautiously optimistic that consumers' confidence will improve.

The Group will strive to improve market penetration by offering attractive new products. Improving operational efficiency and effective cost control management are a continuous process in order to improve profit contribution.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

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 31/12/2021 RM'000	Comparative Quarter Ended 31/12/2020 RM'000	6 Months Cumulative To Date 31/12/2021 RM'000	6 Months Cumulative To Date 31/12/2020 RM'000
Accretion of discount on financial asset at amortised cost	(7)	(3)	(10)	(6)
Amortisation of intangible assets	8	14	17	28
Depreciation of right-of-use assets	175	248	400	451
Depreciation of property, plant and equipment	104	104	208	207
Gain on disposal of property, plant and equipment	-	(3)	-	(3)
Impairment loss on trade receivables	122	-	236	43
Interest expense on lease liabilities	24	50	62	98
Interest income	(953)	(911)	(1,850)	(1,952)
Loss on foreign exchange	-	-	-	23
Reversal of impairment loss on trade receivables	(4)	-	(4)	-

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 31/12/2021 RM'000	Comparative Quarter Ended 31/12/2020 RM'000	6 Months Cumulative To Date 31/12/2021 RM'000	6 Months Cumulative To Date 31/12/2020 RM'000
<u>Current tax</u>				
Current year - Malaysia	521	550	384	992
- Foreign	301	8	302	288
Total tax expense	822	558	686	1,280

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 2021.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 31 December 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/(Loss) per Share

The earnings/(loss) 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 <u>31/12/2021</u> RM'000	Comparative Quarter Ended <u>31/12/2020</u> RM'000	6 Months Cumulative To Date <u>31/12/2021</u> RM'000	6 Months Cumulative To Date <u>31/12/2020</u> RM'000
Net profit attributable to owners of the parent	<u>3,474</u>	<u>(83)</u>	<u>3,247</u>	<u>827</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

Lee Boo Tian
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PC NO. 202008002588
Group Company Secretary

Kuala Lumpur
Date: 23 February 2022