



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME For The Fourth Quarter Ended 30 June 2023**
(The figures have not been audited)

	Current Quarter Ended 30/06/2023 RM'000	Comparative Quarter Ended 30/06/2022 RM'000	Current Year Ended 30/06/2023 RM'000	Comparative Year Ended 30/06/2022 RM'000
Revenue	9,804	13,959	46,553	47,751
Cost of sales	(5,814)	(8,537)	(27,665)	(30,357)
Gross profit	3,990	5,422	18,888	17,394
Other income	1,581	1,088	5,607	4,378
Operating expenses	(3,872)	(4,277)	(17,734)	(16,066)
Finance costs	(18)	(27)	(79)	(124)
Share of results of associates, net of tax	1,492	1,932	2,245	6,653
Profit before tax	3,173	4,138	8,927	12,235
Tax expense	1,142	(513)	(656)	(1,711)
Net Profit for the period	4,315	3,625	8,271	10,524
Other comprehensive (loss)/ income:				
Foreign currency translation	145	(103)	(1,020)	717
Fair value adjustment of: - financial assets at fair value through other comprehensive income ("FVTOCI")	-	(10,176)	-	(10,176)
Total comprehensive income for the period	4,460	(6,654)	7,251	1,065
Profit attributable to:				
Owners of the parent	3,423	2,558	7,011	7,298
Non-controlling interests	892	1,067	1,260	3,226
	4,315	3,625	8,271	10,524
Total comprehensive income/(loss) attributable to:				
Owners of the parent	3,504	(7,674)	6,448	(2,481)
Non-controlling interests	956	1,020	803	3,546
	4,460	(6,654)	7,251	1,065
Earnings per share for profit attributable to owners of the parent:				
Basic and diluted (sen)	4.08	3.05	8.36	8.70
Dividend per share (sen)				
Interim	-	-	2.60	-

(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 2022)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2023

	Unaudited As At 30/06/2023 RM'000	Audited As At 30/06/2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,044	3,049
Right-of-use assets	1,292	1,775
Intangible assets	36	67
Investment in associates	22,088	24,783
Deferred tax assets	1,651	-
Financial asset at amortised cost	29,779	29,743
Financial asset at fair value through other comprehensive income ("FVTOCI")	13,567	13,567
	71,457	72,984
Current Assets		
Inventories	6,188	5,933
Trade and other receivables	7,617	10,579
Deposits, cash and bank balances	155,995	149,695
	169,800	166,207
TOTAL ASSETS	241,257	239,191
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	(18,952)	(18,426)
Retained earnings	122,213	117,420
	216,188	211,921
Non-controlling interests	14,548	15,139
TOTAL EQUITY	230,736	227,060
LIABILITIES		
Non-Current Liability		
Lease liabilities	229	524
Deferred tax liabilities	378	186
	607	710
Current Liabilities		
Trade and other payables	6,148	7,565
Contract liability	2,970	3,024
Lease liabilities	609	832
Tax liabilities	187	-
	9,914	11,421
TOTAL LIABILITIES	10,521	12,131
TOTAL EQUITY AND LIABILITIES	241,257	239,191
Net Assets per share (RM)	2.58	2.53

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2023

(The figures have not been audited)

In RM'000	← Attributable to Owners of the Parent →				Total	Non-Controlling	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings		Interests	
At 1 July 2022	114,152	(1,225)	(18,426)	117,420	211,921	15,139	227,060
Net profit for the period	-	-	-	7,011	7,011	1,260	8,271
Other comprehensive income							
- Foreign currency translation	-	-	(563)	-	(563)	(457)	(1,020)
Total comprehensive (loss)/ income for the year	-	-	(563)	7,011	6,448	803	7,251
Transfer of reserves of a subsidiary	-	-	37	(37)	-	-	-
Dividends paid	-	-	-	(2,181)	(2,181)	-	(2,181)
Dividend to non-controlling interest	-	-	-	-	-	(1,394)	(1,394)
Total transactions with owners	-	-	37	(2,218)	(2,181)	(1,394)	(3,575)
At 30 June 2023	114,152	(1,225)	(18,952)	122,213	216,188	14,548	230,736
At 1 July 2021	114,152	(1,225)	(8,670)	110,145	214,402	14,339	228,741
Net profit for the period	-	-	-	7,298	7,298	3,226	10,524
Other comprehensive income							
- Foreign currency translation	-	-	397	-	397	320	717
- Fair value loss on financial assets at FVTOCI	-	-	(10,176)	-	(10,176)	-	(10,176)
Total comprehensive (loss)/income for the year	-	-	(9,779)	7,298	(2,481)	3,546	1,065
Transfer of reserves of a subsidiary	-	-	23	(23)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(2,746)	(2,746)
Total transactions with owners	-	-	23	(23)	-	(2,746)	(2,746)
At 30 June 2022	114,152	(1,225)	(18,426)	117,420	211,921	15,139	227,060

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2023

(The figures have not been audited)

	Current Year Ended 30/06/2023 RM'000	Comparative Year Ended 30/06/2022 RM'000
Cash Flows from Operating Activities		
Profit before tax	8,927	12,235
Adjustments for:		
Accretion of discount on financial asset at amortised cost	(36)	(27)
Amortisation of intangible assets	31	34
Depreciation of property, plant and equipment	463	421
Depreciation of right-of-use assets	886	865
Gain on disposal of property, plant and equipment	(20)	(2)
Impairment losses on trade receivables	76	71
Interest expense on lease liabilities	79	124
Interest income	(5,413)	(3,788)
Inventories written down	36	95
Reversal of impairment loss on trade receivables	(125)	(45)
Reversal of inventories written down	(43)	(115)
Share of results of associates, net of tax	(2,245)	(6,653)
Unrealised gain on foreign exchange	(3)	(1)
Operating profit before working capital changes	2,613	3,214
Net changes in current assets	3,371	(1,804)
Net changes in current liabilities	(1,408)	1,936
Net changes in contract liability	(54)	1,552
Cash generated from operations	4,522	4,898
Tax paid	(2,181)	(1,914)
Tax refunded	204	63
Net cash from operating activities	2,545	3,047
Cash Flows from Investing Activities		
Acquisition of financial assets at amortised cost	-	(19,760)
Dividend received from associates	3,941	2,966
Interest received	4,842	3,710
Net (placement)/ withdrawal of deposits placed with licensed banks with maturity more than three (3) months	(6,358)	19,533
Proceeds from disposal of property, plant and equipment	20	2
Purchase of property, plant and equipment	(458)	(59)
Net cash from investing activities	1,987	6,392
Cash Flows from Financing Activities		
Dividends paid	(2,181)	-
Dividend paid to non-controlling interest by a subsidiary	(1,394)	(2,746)
Payment of lease liabilities	(1,001)	(983)
Net cash used in financing activities	(4,576)	(3,729)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2023 (Cont'd)

(The figures have not been audited)

	Current Year Ended 30/06/2023 RM'000	Comparative Year Ended 30/06/2022 RM'000
Net (decrease)/increase in cash and cash equivalents	(44)	5,710
Effects of exchange rate changes on cash and cash equivalents	(14)	20
Cash and cash equivalents at beginning of the year	<u>16,648</u>	<u>10,918</u>
Cash and cash equivalents at end of the year	<u><u>16,590</u></u>	<u><u>16,648</u></u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	144,210	136,966
Cash and bank balances	<u>11,785</u>	<u>12,729</u>
	155,995	149,695
Deposits placed with licensed banks with maturity more than three (3) months	<u>(139,405)</u>	<u>(133,047)</u>
	<u><u>16,590</u></u>	<u><u>16,648</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022)

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 2022.

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 2022 except for the adoption of the following Amendments of the MFRS Framework that were issued by the MASB during the financial year:-

Title	Effective Date
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
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9-Comparative Information</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

NOTES (IN COMPLIANCE WITH MFRS 134)**A1 Basis of Preparation (cont'd)**

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 2022 was not qualified.

A3 Seasonal or Cyclical Factors

The Group's operations for the current quarter and financial year ended 30 June 2023 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 ended 30 June 2023.

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 ended 30 June 2023.

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 June 2023, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

A7 Dividend Paid

During the previous quarter ended 31 March 2023, an interim single-tier dividend of 2.6 sen per ordinary share in respect of the financial year ended 30 June 2023 amounting to RM2,180,953 was paid on 18 January 2023.

A8 Reportable Segments

	<u>Bedding</u>	<u>Other</u> <u>Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
For Current Year				
Ended 30 June 2023				
External revenue	46,553	-	-	46,553
Inter-segment revenue	-	7,422	(7,422)	-
Total	<u>46,553</u>	<u>7,422</u>	<u>(7,422)</u>	<u>46,553</u>

NOTES (IN COMPLIANCE WITH MFRS 134)

A8 Reportable Segments (cont'd)

	<u>Bedding</u> RM'000	<u>Other</u> <u>Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Year				
Ended 30 June 2023 (cont'd)				
Segment results:				
Amortisation of intangible assets	31	-	-	31
Depreciation of property, plant and equipment	421	42	-	463
Depreciation of right-of-use assets	584	302	-	886
Interest expense on lease liabilities	35	44	-	79
Interest income	132	5,281	-	5,413
Reportable segment profit before tax	4,457	2,225	-	6,682
Share of results of associates	-	2,245	-	2,245
Total	4,457	4,470	-	8,927
For Comparative Year				
Ended 30 June 2022				
External revenue	47,751	-	-	47,751
Inter-segment revenue	-	9,699	(9,699)	-
Total	47,751	9,699	(9,699)	47,751
Segment results:				
Amortisation of intangible assets	34	-	-	34
Depreciation of property, plant and equipment	381	40	-	421
Depreciation of right-of-use assets	580	285	-	865
Interest expense on lease liabilities	64	60	-	124
Interest income	26	3,762	-	3,788
Reportable segment profit before tax	4,241	1,341	-	5,582
Share of results of associates	-	6,653	-	6,653
Total	4,241	7,994	-	12,235

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 August 2023 (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 ended 30 June 2023.

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 ended 30 June 2023.

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

	Preceding Year			Preceding Year		
	Current Quarter 30/06/2023 RM'000	Comparative Quarter 30/06/2022 RM'000	Changes %	Current Year 30/06/2023 RM'000	Preceding Year 30/06/2022 RM'000	Changes %
Revenue	9,804	13,959	-30%	46,553	47,751	-3%
Gross Profit	3,990	5,422	-26%	18,888	17,394	9%
Profit before tax	3,173	4,138	-23%	8,927	12,235	-27%
Additional Information: Share of results of associates	1,492	1,932	-23%	2,245	6,653	-66%

(a) Current Quarter vs Preceding Year Comparative Quarter

The Group recorded revenue of RM9.80 million and profit before tax (PBT) of RM3.17 million for the current quarter ended 30 June 2023 compared to revenue of RM13.96 million and PBT of RM4.14 million in the preceding year comparative quarter, representing a decrease in revenue and PBT of 30% and 23% respectively.

The bedding operation in Malaysia registered lower revenue of RM9.35 million compared to RM13.59 million in the preceding year comparative quarter, a decrease of 31% mainly due to lower consumer sales. A lower PBT was recorded at RM0.77 million versus RM1.81 million.

Associates in China recorded a net profit of RM1.49 million for the current quarter compared to RM1.93 million in the preceding year comparative quarter. Operating performance of the associates was affected by lower power demand and higher acquisition costs.

(b) Current Year vs Preceding Year

The Group registered lower revenue of RM46.55 million for the current year compared to RM47.75 million registered in the preceding year. Lower PBT was recorded at RM8.93 million as compared to RM12.24 million in the preceding year.

The bedding operation in Malaysia reported lower revenue of RM44.55 million compared to RM45.44 million in the preceding year, representing a decrease of 2% over the period with lower consumers sales. Higher PBT of RM4.31 million reported compared to RM4.04 million in the preceding year due to better cost efficiency and higher mix of more profitable sales.

Associates in China contributed lower net profit of RM2.25 million against RM6.65 million in the preceding year. The preceding year recorded one-off gains totaled RM4.40 million from disposal of electricity quota and property, plant and equipment, and impairment reversal.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B2 Material Change in the Profit Before Tax as compared with the Immediate Preceding Quarter**

	Current Quarter 30/06/2023 RM'000	Immediate Preceding Quarter 31/03/2023 RM'000	Changes %
Revenue	9,804	12,805	-23%
Gross Profit	3,990	5,000	-20%
Profit before tax	3,173	2,505	-27%
Additional Information:			
Share of results of associates	1,492	274	-444%

The Group registered revenue of RM9.80 million for the current quarter which was lower than RM12.81 million registered in the immediate preceding quarter ended 31 March 2023. A lower PBT of RM3.17 million reported for the current quarter versus RM2.51 million in the immediate preceding quarter.

Bedding Malaysia operation recorded lower revenue of RM9.35 million and PBT of RM0.77 million compared to revenue of RM12.43 million and PBT of RM1.49 million in the immediate preceding quarter, mainly due to lower consumers sales.

Associates in China recorded a higher net profit of RM1.49 million for the current quarter compared to RM0.27 million in the immediate preceding quarter mainly due to reversal of impairment on PPE amounted to RM0.99 million.

B3 Prospects of Next Financial Year

Malaysia economy is expected to grow at 4% to 5% for 2023. Consumer sentiment and confidence level will be affected by the slower growth. Property sector will take a bit longer to regain growth. Due to these factors, we expect performance of next financial year to be challenging.

The Group will continue to build on the brand and undertake various tactical promotions to target to the specific market segments to increase sales. Continuous improvements are made to business processes to achieve cost efficiency.

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>30/06/2023</u> RM'000	Comparative Quarter Ended <u>30/06/2022</u> RM'000	Current Year Ended <u>30/06/2023</u> RM'000	Comparative Year Ended <u>30/06/2022</u> RM'000
Accretion of discount on financial asset at amortised cost	(9)	(8)	(36)	(27)
Amortisation of intangible assets	8	8	31	34
Depreciation of property, plant and equipment	123	106	463	421
Depreciation of right-of-use assets	223	220	886	865
Gain on disposal of property, plant and equipment	-	(2)	(20)	(2)
Impairment loss on trade receivables	22	(165)	76	71
Interest expense on lease liabilities	18	27	79	124
Interest income	(1,567)	(976)	(5,413)	(3,788)
Inventories written down	36	95	36	95
Loss/(Gain) on foreign exchange				
- realised	-	-	133	-
- unrealised	(3)	(1)	(3)	(1)
Reversal of impairment loss on trade receivables	(121)	(40)	(125)	(45)
Reversal of inventories written down	(43)	(115)	(43)	(115)

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 ended 30 June 2023.

B7 Tax expense

Tax expense comprises the following:-

	Current Quarter Ended <u>30/06/2023</u> RM'000	Comparative Quarter Ended <u>30/06/2022</u> RM'000	Current Year Ended <u>30/06/2023</u> RM'000	Comparative Year Ended <u>30/06/2022</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	315	513	1,714	1,409
- Foreign	1	1	400	303
Overprovision in prior year				
- Malaysia	-	(1)	-	(1)
<u>Deferred tax</u>				
Current year - Malaysia	(1,658)	-	(1,658)	-
- Foreign	200	-	200	-
Total tax expense	(1,142)	513	656	1,711

The effective tax rate of the Group (excluding the share of results of associates) for the current quarter to date was lower than the statutory rate due principally to certain income which is not subject to tax. As for the financial year ended 30 June 2023, the effective tax rate of the Group (excluding the share of results of associates) 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 June 2023.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 30 June 2023.

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

On 23 November 2022, the Board of Directors declared an interim single-tier dividend of 2.6 sen per ordinary share in respect of the financial year ended 30 June 2023 amounting to approximately RM2,180,953 and paid on 18 January 2023.

The Directors recommend a final single-tier dividend of 1.7 sen per ordinary share amounting to approximately RM1,426,000 in respect of the financial year ended 30 June 2023, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements do not reflect this proposed dividend which will be recognised as an appropriation of retained earnings in the financial year ending 30 June 2024 when approved by shareholders.

B13 Earnings per Share

The earnings per share (basic) for the current quarter and financial year ended 30 June 2023 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>30/06/2023</u> RM'000	Comparative Quarter Ended <u>30/06/2022</u> RM'000	Current Year Ended <u>30/06/2023</u> RM'000	Comparative Year Ended <u>30/06/2022</u> RM'000
Net profit attributable to owners of the parent	<u>3,423</u>	<u>2,558</u>	<u>7,011</u>	<u>7,298</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

Lee Boo Tian

LS 0007987

PC NO. 202008002588

Group Company Secretary

Kuala Lumpur

Date: 23 August 2023