

**FACB Industries Incorporated Berhad**  
197901004632 (48850-K)

Annual Report  
**2024**

# FACB INDUSTRIES INCORPORATED BERHAD

## ANNUAL REPORT 2024

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## Corporate Information

### BOARD OF DIRECTORS

Mr Chen Yiy Fon  
*Chairman*

Puan Sri Lee Chou Sarn

Mr Leong Choong Wah

Mr Michael Lai Kai Jin

Mr Tee Meng Kwang

### EXECUTIVE PRESIDENT

Tan Sri Dr Chen Lip Keong  
*(Passed away on 8 December 2023)*

### CHIEF EXECUTIVE OFFICER

Mr Lim Kam Choy  
*(Appointed on 1 August 2024)*

### GROUP COMPANY SECRETARY

Mr Lee Boo Tian  
*LS 0007987  
PC NO. 202008002588*

### AUDIT COMMITTEE

Mr Leong Choong Wah  
*Chairman, Independent Non-Executive Director*

Mr Michael Lai Kai Jin  
*Independent Non-Executive Director*

Mr Tee Meng Kwang  
*Independent Non-Executive Director*

### NOMINATING COMMITTEE

Mr Michael Lai Kai Jin  
*Chairman, Independent Non-Executive Director*

Mr Leong Choong Wah  
*Independent Non-Executive Director*

Mr Tee Meng Kwang  
*Independent Non-Executive Director*

### REMUNERATION COMMITTEE

Mr Tee Meng Kwang  
*Chairman, Independent Non-Executive Director*

Mr Leong Choong Wah  
*Independent Non-Executive Director*

Mr Michael Lai Kai Jin  
*Independent Non-Executive Director*

### REGISTERED OFFICE

Etiqa Twins, Tower 1  
Level 13, 11 Jalan Pinang  
50450 Kuala Lumpur  
Tel : 603 2162 0060  
Fax : 603 2162 0062  
Website : [www.facbi.com](http://www.facbi.com)  
Email : [enquiry@facbi.com](mailto:enquiry@facbi.com)

### SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603 7784 3922  
Fax : 603 7784 1988  
Email : [binawin@binamg168.com](mailto:binawin@binamg168.com)

### AUDITORS

BDO PLT  
201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants  
Level 8, BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur

### PRINCIPAL BANKER

Malayan Banking Berhad

### STOCK EXCHANGE LISTING

Main Market  
Bursa Malaysia Securities Berhad

# Profiles of the Directors and Key Senior Management

## CHEN YIY FON

*Chairman, Non-Independent Executive Director*

- Aged 43, Male, Malaysian
- Appointed to the Board on 1 August 2007
- Appointed as Chairman on 2 August 2023
- Graduated with Bachelor of Arts in Economics from University of Southern California, Los Angeles
- Previously worked in Morgan Stanley, Los Angeles, California and Credit Suisse First Boston, Singapore
- Currently, he is a Director of Karambunai Corp Bhd. and Petaling Tin Berhad

## PUAN SRI LEE CHOU SARN

*Non-Independent Executive Director*

- Aged 77, Female, Malaysian
- Appointed to the Board on 17 March 1997 and as Acting Chief Executive Officer on 1 August 2007. On 15 December 2008, stepped down as Acting Chief Executive Officer
- Graduated with Bachelor of Economics in 1971 from University of Malaya
- Worked for 13 years in the Statistics Department of the Government of Malaysia. She has been a shareholder and a Director of Lipkland Holdings Sdn. Bhd., an investment holding company since December 1982. She was also a Director of Karambunai Corp Bhd. from 1994 to 2001

## LEONG CHOONG WAH

*Independent Non-Executive Director*

- Aged 56, Male, Malaysian
- Appointed to the Board on 2 August 2023
- Chairman of Audit Committee and a member of Nominating and Remuneration Committees
- A member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Member of Certified Practising Accountant (CPA) of Australia
- Began his career with Messrs Price Waterhouse in 1989, accumulated over 34 years of working experience in accounting, financial and corporate including cross border merger & acquisitions. He was the Group Executive Director, Corporate Services of HCK Capital Group Berhad from May 2015 to April 2019, Chief Executive Officer of Petaling Tin Berhad 2008 to 2010 and Chief Financial Officer of FACB Industries Incorporated Berhad from 2000 to 2008
- Currently, he is the Chief Financial Officer of Imagine Group since 1 March 2019 and an Independent Non-Executive Director of Naga Corp Ltd a company listed on the Hong Kong Stock Exchange since 10 September 2018

## Profiles of the Directors and Key Senior Management

### **MICHAEL LAI KAI JIN**

*Independent Non-Executive Director*

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- Aged 55, Male, Singaporean
- Appointed to the Board on 2 August 2023
- Chairman of Nominating Committee and a member of Audit and Remuneration Committees
- Graduated from National University of Singapore with a L.L.B. (Hons) Degree in 1994 and he was called to the Singapore Bar the following year
- He was formerly a partner of Messrs Khattar Wong, one of the largest law firms in Singapore. His practice focused on marine and admiralty law and has handled numerous legal disputes in the area of international trade and transport. He was formerly the Chairman of the Advisory Body Legal Matters, FIATA and the legal counsel for the Singapore Logistic Association. He was also formerly the Group General Counsel for Ezra Holdings Limited
- He was a Non-Executive Director of Naga Corp Ltd a company listed on the Hong Kong Stock Exchange, from 31 May 2010 to 5 April 2011 and re-designated as Independent Non-Executive Director on 6 April 2011

### **TEE MENG KWANG**

*Independent Non-Executive Director*

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- Aged 46, Male, Malaysian
- Appointed to the Board on 2 August 2023
- Chairman of Remuneration Committee and a member of Audit and Nominating Committees
- Graduated with Bachelor of Science – Business Administration, Master of Business Administration – Concentration in Management & Leadership and International Business
- Well verse in international trading in building material. 15 years of experience in property development and real estate activities in China and Malaysia
- No other directorship in public companies and listed issuers

### **TAN SRI DR CHEN LIP KEONG**

*Executive President (Passed away on 8 December 2023)*

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- Aged 76 (in 2023), Male, Malaysian
- Appointed to the Board on 3 August 1994 and retired on 30 November 2016
- Bachelor of Medicine and Surgery from University of Malaya 1973 (M.B.B.S. Malaya) and extensive corporate, managerial and business experience since 1976
- Controlling shareholder of Karambunai Corp Bhd., Petaling Tin Berhad and FACB Industries Incorporated Berhad

## Profiles of the Directors and Key Senior Management

### LIM KAM CHOY

*Chief Executive Officer*

- Aged 57, Male, Malaysian
- Appointed as Chief Executive Officer on 1 August 2024
- A member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants
- Holds a professional qualification in accounting (MICPA) and MBA from University of South Australia
- Spent his first 12 years of working career in two Big4 audit firms – PriceWaterhouse and Ernst & Young, and went on to work for public listed companies in Malaysia and Singapore
- Prior to joining the Company, he was the Finance Director and the Company Secretary of Ann Joo Resources Berhad. Prior to that, Chief Financial Officer of several public listed companies, including ECM Libra Financial Group Berhad, Karambunai Corp Bhd. and Petaling Tin Berhad, and before that, Vice-President for Treasury at Genting Malaysia Berhad, and Head of Corporate & Finance at Ho Hup Construction Company Berhad
- His senior management experience covers the areas of mergers, acquisitions and divestments, finance and treasury, taxation, corporate secretarial, corporate governance, risk management and internal controls

### BONG SHEE CHENG

*Chief Financial Officer*

- Aged 67, Male, Malaysian
- Appointed as Chief Financial Officer on 2 May 2007
- A Chartered Accountant Malaysia (C.A.(M))
- Has more than 30 years of experience in the commercial and industrial sector prior to joining FACB Industries Incorporated Berhad. He held various senior positions in financial and corporate services of public listed corporations in Malaysia

### GAN LEE BENG

*Chief Executive Officer, Restonic (M) Sdn. Bhd.*

- Aged 68, Male, Malaysian
- Joined Restonic (M) Sdn. Bhd. in 1998
- Graduated with Bachelor of Science (Honours) in Psychology and Post Graduate Diploma in Marketing
- Has over 30 years of work experience in consumer research, advertising and marketing. He last worked as Marketing Director with Kiwi Brands (M) Sdn. Bhd. before joining Restonic (M) Sdn. Bhd.

#### Other Information

**a. Family Relationship**

Puan Sri Lee Chou Sarn is the spouse of late Tan Sri Dr Chen Lip Keong. Mr Chen Yiy Fon is the son of late Tan Sri Dr Chen Lip Keong and Puan Sri Lee Chou Sarn.

Save as disclosed above, none of the Directors and Key Senior Management have any family relationship with any Director and/or major shareholder of the Company.

**b. Conflict of Interest**

None of the Directors and Key Senior Management have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company of its subsidiaries.

**c. Conviction of offences**

None of the Directors and Key Senior Management have any conviction for offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

## Management Discussion and Analysis

FACB Industries Incorporated Berhad (“FACBII” or “Company”) is pleased to present the Annual Report of the Company and its subsidiaries (“Group”) for the financial year ended 30 June 2024 (“FY2024”).

### OVERVIEW OF THE GROUP’S BUSINESS AND OPERATION

FACBII is a public company listed on the stock exchange in Malaysia since 1987.

FACBII is principally engaged in investment holding and provision of management services. Its subsidiaries are in the manufacturing and sale of bedding products in Malaysia and via its subsidiary and associates in China, marketing of bedding products and marketing of steam, respectively.

FACBII has over the past three decades built up its reputation on excellent products and services. FACBII has been and will continue to be a reputable market leader in the bedding industry.

#### Bedding Division

The bedding division in Malaysia is under the Restonic (M) Sdn. Bhd. group of companies (“Restonic Group”). Restonic Group is a leading manufacturer of superior quality spring and foam mattresses as well as other bedding products in Malaysia. Its flagship brand is “Dreamland”.

The strength of its products lies in the patented Miracoil Spring System, a state-of-the-art spring technology from the United States that is used in all Dreamland Chiropractic mattresses. The Miracoil Spring System provides superior spinal support with its centre zoning of 49% more coil count and a vertical head-to toe helical wire which reduces “roll-together” for less partner disturbance. In a research conducted by an independent survey company, 84.9% of Malaysians prefer the Miracoil Spring System over ordinary spring systems.



Dreamland is not only sought after by consumers in retail furniture stores and hypermarkets, it is also the choice mattress brand for the hotel industry in Malaysia. The brand has been awarded the Reader’s Digest Trusted Brand Award Gold every year since 2009. Dreamland is also a proud mattress supplier to Amway (M) Sdn. Bhd., the leading direct selling company in Malaysia.

Other quality and well sought after mattresses by different market segments are branded under Sleepmaker, Aristocrat and Resta.

The bedding division also included investment in a subsidiary in China which is held by its subsidiary, Dreamland Spring Sdn. Bhd. (“DS”). The subsidiary company via DS, is involved in retail online marketing of bedding products under the brand names of Aristocrat, Dreamland and Fang Yuan.

## Management Discussion and Analysis

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION (continued)

#### Other Operations

Other operations comprise investment holding, provision of management and secretarial services and marketing of steam. Investment holding, provision of management and secretarial services are in Malaysia whereas marketing of steam are via investments in associates in China held through subsidiary, Kanzen Energy Ventures Sdn. Bhd. ("KEV").

### FINANCIAL RESULTS AND FINANCIAL CONDITION REVIEW

The Group's financial performance for FY2024 as compared to FY2023 is as follows: -

	FY2024 RM'000	FY2023 RM'000	Increase/ (Decrease) RM'000	%
Revenue	45,737	46,553	(816)	(1.8)
Gross profit	18,903	18,887	16	0.1
Profit before tax	10,147	8,936	1,211	13.6
Profit after tax	8,118	8,279	(161)	(1.9)
Profit attributable to owners of the parent	6,821	7,017	(196)	(2.8)
Total assets	243,901	241,426	2,475	1.0
Equity attributable to owners of the parent	218,298	216,193	2,105	1.0
Net assets per share attributable to owners of the parent (RM)	2.60	2.58	0.02	0.8
Earnings per share (sen)	8.13	8.36	(0.23)	(2.8)

For FY2024, the Group recorded a decrease in revenue by 1.8% to RM45.74 million as compared to RM46.55 million in the preceding financial year. The decrease in revenue was due to the decline in revenue by 1.0% in the bedding operation in Malaysia. High inflation, economic uncertainty, shifting consumer priorities and high household debt level continue to burden many consumers and contribute to a reserved consumer sentiment.

The Group recorded a profit before tax of RM10.15 million for the current financial year, 13.6% higher compared to RM8.94 million in the preceding financial year. The higher profit before tax for the current financial year was mainly due to higher interest income recorded by the investment division and higher share of profit recorded by associates in China. Share of results of associates recorded a higher profit of RM2.48 million in the current financial year compared to RM2.25 million in the preceding year. Higher share of profit of the associates in the current financial year was mainly due to better operating performance. The bedding operation in Malaysia reported a slightly lower pre-tax profit of RM4.30 million as compared to RM4.32 million in the preceding year.



## Management Discussion and Analysis

### FINANCIAL RESULTS AND FINANCIAL CONDITION REVIEW (continued)

#### Review of the financial results by segment

	Revenue			Profit/(Loss) before tax		
	FY2024 RM'000	FY2023 RM'000	Increase (Decrease) %	FY2024 RM'000	FY2023 RM'000	Increase (Decrease) %
Bedding	45,737	46,553	(1.8)	4,311	4,465	(3.4)
Other operations	–	–	–	5,836	4,471	30.5
	45,737	46,553	(1.8)	10,147	8,936	13.6

#### Bedding segment

The bedding segment recorded a decrease in revenue by 1.8% to RM45.74 million as compared to RM46.55 million in the preceding financial year. The decrease in revenue was due to the decline in revenue by 1.0% in the bedding operation in Malaysia. Revenue for the bedding operation in Malaysia decreased by 1.0% to RM44.09 million as compared to RM44.55 million in the preceding year due to lower consumer sales, and recorded a profit before tax of RM4.30 million as compared to RM4.32 million in the preceding year. The bedding operation in China recorded loss before tax of RM0.02 million as compared to profit before tax of RM0.09 million in the preceding financial year mainly due to lower revenue and higher operating expenses incurred.



#### Other operations

This segment recorded a higher profit before tax of RM5.84 million as compared to RM4.47 million in the preceding financial year. Share of results of associates recorded a higher profit of RM2.48 million in the current financial year compared to RM2.25 million in the preceding financial year. Higher share of profit of the associates in the current financial year was mainly due to better operating performance contributed by higher average profit margin of steam. For this current financial year, the investment division recorded a higher profit of RM3.35 million as compared to RM2.23 million in the preceding financial year due to higher interest income of RM6.25 million compared to RM5.28 million in the preceding financial year.

## Management Discussion and Analysis

### BUSINESS AND OPERATIONAL REVIEW

#### Bedding Division

##### Bedding operation in Malaysia

In FY2024, Restonic Group recorded a marginal 1.0% decline in overall sales compared to the previous year and a slightly lower profit before tax. Restonic Group navigated through a challenging landscape with resilience, achieving mixed results across diverse sales channels. This achievement is noteworthy amidst global economic uncertainties and supply chain challenges. Despite cost pressures from raw materials and logistics, prudent financial management has enabled Restonic Group to sustain profitability and drive shareholder value.

Our dealer network experienced lower sales value, influenced primarily by cautious consumer spending and competitive pressures within the retail environment. Factors such as inflationary pressures and evolving consumer preferences towards alternative purchasing channels contributed to this decline. Despite these challenges, Restonic Group remain committed to our valued dealer partnerships, implementing targeted support initiatives and joint marketing efforts to bolster sales performance. Moving forward, we are focused on enhancing our dealer engagement strategies and optimizing product assortments to better align with evolving consumer preferences and market dynamics.



Event-driven sales experienced modest improvement, driven by expanded participation in key trade shows and strategic promotion events at town halls (dewan) of secondary towns. Our approach focuses on engaging directly with consumers, allowing them to experience product features first hand and make informed purchasing decisions resonated positively, with increased foot traffic, higher conversion rates and enhanced brand visibility. Restonic Group will continue to capitalize on these favourable trends by further investing in event marketing and customer engagement initiatives to sustain momentum and drive incremental sales growth.

In contrast to the general decline in dealer sales, FY2024 saw a remarkable increase in Amway sales through increased promotional activities as well as launching of new high end mattress variant and latex based pillows. Our premium mattress offerings continue to resonate well with Amway's discerning clientele, supported by effective product education and targeted sales strategies. We remain committed to deepening our relationship with Amway, leveraging their extensive distribution network and direct selling expertise to capitalize on opportunities for continued market penetration and growth.

Project division sales experienced reduction due to delays in large scale commercial projects, subdued business investments and slower than expected recovery in sectors such as hospitality and commercial real estates. These sectors traditionally account for bulk purchases for hotels, resorts and corporate projects but lingering pandemic effects and economic uncertainties have dampened demand. As economic conditions stabilize, targeted efforts to revive project-based sales through tailored product offerings and collaborating with industry partners or property developers to secure long-term contracts or bulk orders will be pivotal for this division recovery.

## Management Discussion and Analysis

### BUSINESS AND OPERATIONAL REVIEW (continued)

#### Bedding Division (continued)

##### Bedding operation in China

Weak domestic consumer spending posts a great negative impact on the business of Dreamland Marketing (Shanghai) Co. Ltd. (“DMS”). The reduced in demand for bedding products can be seen through lower marriage rate and birth rate among the younger generation. This situation is further compounded by the recession in residential property sector, where glut of unsold residential units existed nationwide and drastic drop in new property project launched. To survive in this highly competitive business environment, operation of DMS adopted an innovative business modus operandi and its product mix strategy. We will continue to identify new niche market to expand marketing reach.

##### Other operations

The steam industry experienced a slower growth, with reduced steam demand, and lower average selling price, resulting in a lower profit generated by Jiangyin power plant, however, the associates’ reported a better than industry growth contributed by management’s effort to reduce the cost of production.

### LIQUIDITY AND CAPITAL MANAGEMENT

As at 30 June 2024, the non-current assets of the Group amounted to RM69.78 million, a decrease of RM1.68 million from the preceding financial year. These were mainly due to fair value loss on financial assets at fair value through other comprehensive income of RM3.39 million and netted against an increase of RM1.53 million in investments in associates. Current assets increased by RM4.15 million to RM174.12 million mainly due to an increase of RM4.95 million in cash and cash equivalents and netted against a decrease of RM0.76 million in trade receivables. The Group’s total liabilities amounted to RM9.84 million, a decrease of RM0.84 million from the preceding financial year mainly due to a decrease in other payables. The Group’s total shareholder’s fund stood at RM218.30 million.

### BUSINESS OUTLOOK FOR FY2025

While FY2024 presented its share of challenges, including fluctuating raw material costs and logistical complexities, the bedding operations managed to navigate these hurdles with agility and resilience. Looking ahead, Management remains cautiously optimistic about the future. Key strategic initiatives will include bolstering dealer networks, expanding direct sales capabilities and innovating product lines to meet evolving consumer preferences. Restonic Group remain focused on leveraging its strengths, addressing challenges proactively and capitalizing on emerging opportunities to drive sustained growth and profitability in the coming year.

The power business through associates in China is expected to continue to be challenging. The demand of power is highly dependent on economic conditions, coupled with the domestic and external unstable global economy recovery momentum; the continual cost control will be vital to the financial performance of the associates.

### DIVIDEND

The Board of Directors propose a final single-tier dividend of 2.0 sen per ordinary share amounting to RM1,677,656 in respect of the financial year ended 30 June 2024, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

# Sustainability Statement

## 1.0 ABOUT THIS STATEMENT

FACB Industries Incorporated Berhad (“FACBII” or “the Group”) Annual Sustainability Statement (“this Statement”) encompasses our sustainability efforts and highlights the Group’s sustainability performance for the financial year ended 30 June 2024 (“FY2024”). It describes the sustainability initiatives executed in our business and operations for the interest and benefit of our stakeholders and the environment. This Statement captures the progress, achievements and challenges in the economic, environmental, social and governance (“ESG”) aspects in our sustainability journey.

## 1.1 REPORTING SCOPE AND BOUNDARIES

The scope of this Statement covers the business operations and activities of the holding company and the Group’s subsidiaries in Malaysia, for which FACBII has direct managerial control. This Statement includes comparative historical data wherever applicable and/or available. Relevant key performance indicators have been established, tracked and disclosed to the best of our ability within this Statement. The Board of Directors have reviewed and approved this Statement.

## 1.2 REPORTING GUIDELINES AND REFERENCE

This Statement has been prepared in accordance to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and its Sustainability Reporting Guide 3rd Edition. Our sustainability strategies are further aligned with the United Nations Sustainable Development Goals (“SDG”) targets.

## 1.3 ASSURANCE

The Group has undertaken independent auditing and assurance for financial data presented in this statement where the figures can be cross referenced to the Financial Statements in the Annual Report 2024. In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to an internal review by the Group’s Internal Audit and has been approved by the Group’s Audit Committee.

## 1.4 REPORTING PERIOD AND FREQUENCY

The Group reports the sustainability initiatives and performances annually. This Statement covers the reporting period of 1 July 2023 to 30 June 2024.

## 1.5 FORWARD-LOOKING STATEMENTS

The Group has included forward-looking statements such as goals, targets and future plans in regard to future performances, which are based on presently available information and current operating environment conditions. However, readers should be advised not to place undue reliance on such statements as our business is subject to risks and uncertainties that are beyond our control. Actual results may differ.

## Sustainability Statement

### 1.6 FEEDBACK

The Group welcomes feedback and suggestions from its valued stakeholders for improvements in sustainability practices, performances and reporting. Kindly submit your enquiries or feedback to:

FACB Industries Incorporated Berhad  
 Etiqa Twins, Tower 1  
 Level 13, 11 Jalan Pinang  
 50450 Kuala Lumpur  
 Tel. No. : +603-2162 0060  
 Fax No. : +603-2162 0062  
 Email : enquiry@facbi.com

### 2.0 OUR BUSINESS

FACBII has been listed on the Main Market of Bursa Malaysia since 1987 and the Group’s core activities are:

- investment holding and provision of management services
- manufacturers, wholesalers, and retailers of bedding products which includes mattresses, accessories and other bed-related furniture
- manufacturer and wholesaler of polyester and foam accessories

Restonic (M) Sdn. Bhd., a majority-owned subsidiary in Malaysia, is an award-winning and leading manufacturer of spring and foam mattresses, together with accessories, with its flagship brand, “Dreamland” and other brands namely Sleepmaker, Resta and Aristocrat.

Since its beginning as the first Malaysian homegrown manufacturer of spring mattresses five decades ago, Dreamland has grown to become a leading regional brand, supported by a manufacturing base in Johor, an extensive wholesale and dealer distribution networks across Malaysia, and a network of technology partners and supply chain.

***We recognize that our actions as an organization have a profound impact on our people, the environment and our communities. We are dedicated to delivering a positive influence through our products, operations, and corporate initiatives, with a clear purpose to enhance the well-being of our stakeholders.***



### 2.1 OUR APPROACH TOWARDS SUSTAINABILITY

Sound governance is key to drive FACBII’s sustainability strategy. The Group’s sustainability is integrated into the overall corporate governance structure.

With the introduction of new disclosures by Bursa Malaysia, strategic planning and decision-making on sustainability and climate-related matters have become more crucial. The Group’s governance structure ensures the sustainability agenda is given sufficient oversight by the Board. This approach allows for the management of the economic, environmental and social risks and opportunities (“sustainability matters”) to be progressively integrated into strategic decision-making as sustainability concerns can now be given due consideration at the Board-level based on the ESG data.

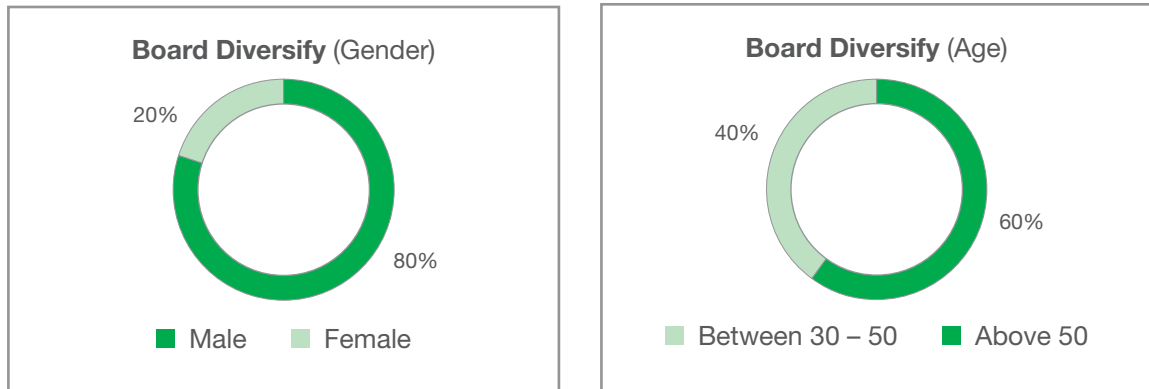
## Sustainability Statement

### 2.2 GOVERNANCE STRUCTURE

<b>Board of Directors</b>	Board level oversight of the Group’s sustainability objectives, provide directions to ensure alignment between the business model and objectives with sustainability matters.
<b>Audit Committee</b>	Develop and manage sustainability strategies, priorities and targets, and oversees the reporting and progress achieved as well as challenges faced so appropriate actions can be made for sustainability matters timely.
<b>ESG Working Group</b>	Carry out implementation of the sustainability strategies and plans involving ESG data

### 2.3 SUSTAINABILITY AND BOARD

FACBII values diversity in its Board, by selecting and retaining individuals from various professional backgrounds, experiences, and competencies. This diversity of skills and talents help with perspectives and insights for better decision-making. An overriding principle is that all appointments to the Board will be based upon merit, experience, qualification, character, time commitment and integrity and contribution the candidates may bring to the Board. Currently, there are five members on the Board, 20% of whom are female, and 40% aged below 50 and 60% above 50.



### 2.4 ZERO TOLERANCE TO CORRUPTION APPROACH AND WHISTLEBLOWING

FACBII has implemented an Anti-Corruption Policy in line with the requirements of the Malaysian Anti-Corruption Commission Act 2009. The Board provides oversight of the Policy. To encourage employees and stakeholders to report any misconduct, wrongdoing, corruption, fraud, or abuse of power, FACBII has also established a Whistleblowing Policy. Both the Anti-Corruption Policy and the Whistleblowing Policy can be found on the Group’s corporate website [www.facbi.com](http://www.facbi.com).

The Anti-Corruption Policy and Whistleblowing Policy are communicated to our employees Group-wide via on-line training sessions and the corporate website to make sure our employees have complete understanding of the various forms of bribery and compliance with anti-bribery and anti-corruption laws, to inculcate a culture of integrity across the Group. The employees who have received training on the anti-corruption policy are as follows:

## Sustainability Statement

### 2.4 ZERO TOLERANCE TO CORRUPTION APPROACH AND WHISTLEBLOWING (continued)

Employees who have received training on anti-corruption policy, by category	Percentage (%)
Management	89
Executive	96
Non-executive	97

During the year, 100% of the operations within the Group has been assessed for corruption related risks. There have been zero confirmed incidents of corruption during FY2024.

### 2.5 OUR STAKEHOLDERS

As in previous years, FY2024 sees FACBII continue to engage with its stakeholders over a wide range of communication platforms and channels.

The Group understands that engaging stakeholders support the Group in determining material sustainability topics by understanding how these individuals or groups can impact the business model in terms of its capital, brand reputation and value creation. The outcomes from undertaking stakeholders' engagement initiatives could result in stronger economies, better product range which support better living conditions, and more opportunities.

FACBII deems a stakeholder to be an individual or a group that has an effect on, or is affected by, the Group's business. As the Group begins to look forward to transitioning into a low-carbon economy, engagement with stakeholders provides valuable insights and collaborative opportunities that will support this transition and help align the Group's strategies with broader sustainability goals.

No	Stakeholder	Engagement approaches	Needs and Expectations	Relevant material topics	Outcomes, Value created
1	Customers	<ul style="list-style-type: none"> <li>Website and social media</li> <li>Marketing events</li> <li>Training sessions</li> <li>Mobile and email communications</li> <li>Audits</li> <li>Surveys</li> <li>Face-to-face interactions</li> </ul>	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Product knowledge</li> <li>Brand value</li> <li>Fair pricing</li> <li>Timely delivery</li> <li>Good after-sales service</li> <li>Superior technology</li> </ul>	<ul style="list-style-type: none"> <li>Product responsibility and quality</li> <li>Quality in goods and services</li> <li>Product innovation</li> <li>Brand value</li> <li>Engagement and communication</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced customer satisfaction</li> <li>Enhanced brand value</li> <li>Increased knowledge in bedding products</li> </ul>
2	Employees	<ul style="list-style-type: none"> <li>Internal communications</li> <li>Company events</li> <li>Training and development</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Secure employment</li> <li>Conducive work place</li> <li>Training and development</li> </ul>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Fair employment practices</li> <li>Training and development</li> </ul>	<ul style="list-style-type: none"> <li>A safe and secured workplace</li> <li>Employees are continuously trained</li> </ul>

## Sustainability Statement

### 2.5 OUR STAKEHOLDERS (continued)

No	Stakeholder	Engagement approaches	Needs and Expectations	Relevant material topics	Outcomes, Value created
3	Suppliers	<ul style="list-style-type: none"> <li>• Mobile and email communications</li> <li>• Face-to-face interactions</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to specifications</li> <li>• Honour agreements</li> <li>• Fair price</li> <li>• Planning and communication for stocks or parts availability</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain</li> <li>• Ethical business conduct</li> </ul>	Reliable suppliers  Quality control benchmarking process  Forward planning, communication
4	Media	<ul style="list-style-type: none"> <li>• Mobile and email communications</li> <li>• Face-to-face interactions</li> </ul>	<ul style="list-style-type: none"> <li>• Clear communications</li> <li>• Shared values</li> </ul>	<ul style="list-style-type: none"> <li>• Brand value</li> <li>• Communication of FACBII values</li> </ul>	Enhanced credibility and communications
5	Investors or shareholders	<ul style="list-style-type: none"> <li>• Website and social media</li> <li>• Quarterly financial results</li> <li>• Annual Reports</li> <li>• Press releases</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Good reputation</li> <li>• Profitability</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Ethical business conduct</li> </ul>	Engagement to deliver credible information
6	Authorities	<ul style="list-style-type: none"> <li>• Mobile and email communications</li> <li>• Site visits and inspections</li> <li>• Surveys</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstration of compliance</li> <li>• Responsive communications and actions</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to laws and regulations</li> <li>• Ethical business conduct</li> </ul>	Demonstration of continued compliance with laws and regulations

### 2.6 OUR MATERIAL TOPICS

FACBII conducted a new materiality assessment during FY2024 using a four-step process, supported by inputs from prioritized stakeholders, industry information, and global trends.

<b>Stakeholders engagement</b>	The Group has published its Sustainability Statement since 2017 and in accordance with Bursa Malaysia’s enhanced requirements in 2022, this statement has included elevated disclosures which involves a materiality assessment.
<b>Identification of material matters</b>	The first step involved the understanding of the Group’s distinctive operating context. The Group derived and identified a list of preliminary sustainability matters, and identified the Group’s key stakeholders to understand their needs and expectations pertaining to material topics relevant to them.



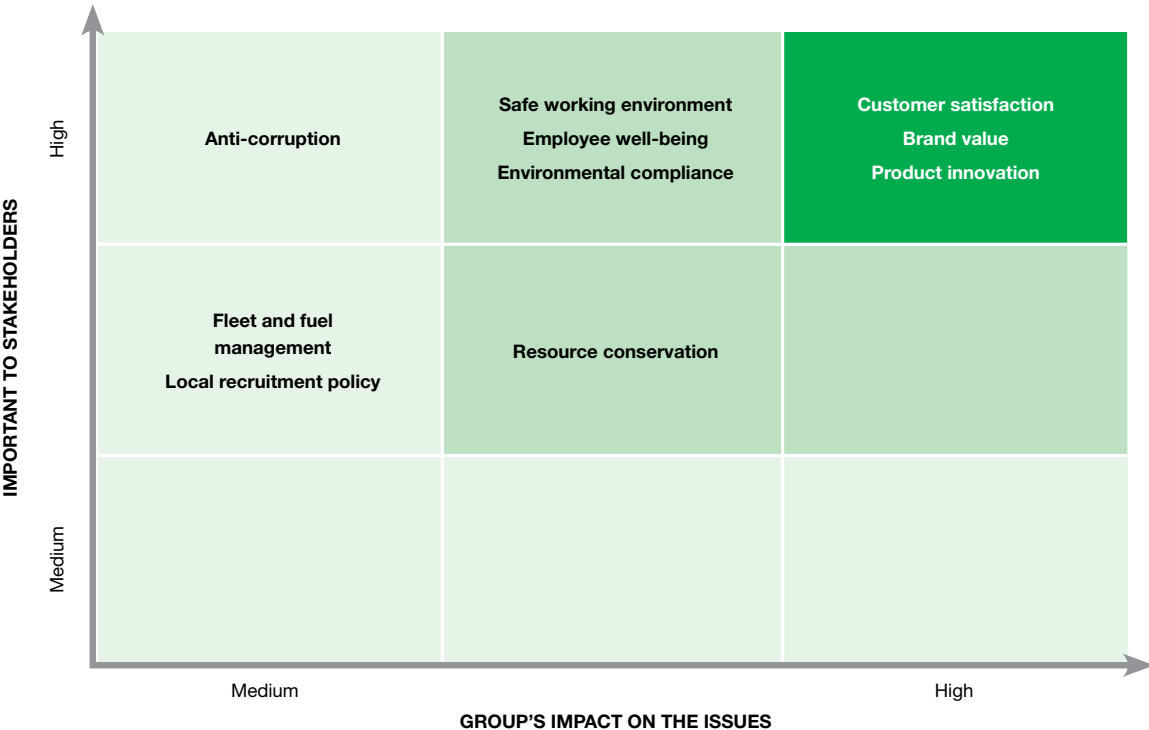
# Sustainability Statement

## 2.6 OUR MATERIAL TOPICS (continued)

<p><b>List of material matters</b></p>	<p>The Group applied the materiality concept and undertook a stakeholder engagement within the resources available. The Group engaged with employees, customers from various segments, suppliers from various segments within the supply chain and the media, with a survey for them to rate the material topics from their standpoint, in relation to their deemed interest and importance to the Group.</p>
<p><b>Develop materiality matrix</b></p>	<p>The survey results gathered were tabulated using best practices and statistical analysis involving weightage for prioritised stakeholders. The results were plotted to a Sustainability Materiality Matrix where the results show the prioritisation of relevant material topics.</p>

## 2.7 PRIORITISED MATERIALITY TOPICS

The prioritised sustainability matters are seen in the outermost section in the Sustainability Materiality Matrix below.



## Sustainability Statement

### 2.7.1 Summary list of prioritised material topics

The Group’s prioritised sustainability matters in the Sustainability Materiality Matrix appear in **bold** in the Table below.

Our Purpose	Environment	Our People
<b>Customer satisfaction</b> <b>Brand value</b> <b>Product innovation</b> Anti-corruption	<b>Compliances to laws and regulations</b> <b>Resource conservation</b> Fleet and fuel management	<b>Safe working environment</b> <b>Employee well-being</b> Local recruitment policy

### 2.7.2 Overview of the prioritised material topics and its risks and opportunities

The results of the materiality assessment revealed the material issues that were most significant to our stakeholders, based on their impact on FACBII and FACBII’s impact on those issues. These findings provide insights on how the Group can best allocate resources, both in the short term and long term. The Group recognizes that the prioritized matters are intrinsically linked to its long-term value creation for the business and stakeholders.

The Group will continue to invest in areas where our valued customers can derive enhanced satisfaction from our brands, products, and services. This investment is intricately linked to the Group’s proven ability to maintain product quality and safety standards. The Group’s commitment to customer satisfaction not only contributes to value creation but also enhances financial performance.

Globally and locally, there is a growing emphasis on health and wellness, which extends to bedding products. Consumers are interested in improved sleep experience and products that provide good back-care support. Increased engagements with customers through fairs and exhibitions, and communication to the key clients and dealers have been a marketing focus to communicate the distinct features and benefits of our products and the patented back-care support technology of Mira-Coil® system in the heart of Dreamland products.

The Group commits to corporate sustainability practices and also cares for its environmental footprint while doing so. There is a continual focus on resource conservations and waste management.

The Group also recognises and remains dedicated to the continuous development and training of its employees. The commitment to their development, safety and well-being is integral to the Group’s business operations and crucial for long term value creation.

### 2.7.3 Alignment with United Nations SDGs

FACBII recognises and supports the United Nations SDGs. The Group is committed to drive progress on select goals aligned with our Group’s priorities.

We have mapped four SDGs that most closely aligned with our sustainability strategies and initiatives namely Good Health and Well-Being (SDG3), Decent Work and Economic Growth (SDG8), Industry, Innovation and Infrastructure (SDG9) and Responsible Consumption and Production (SDG12).

## Sustainability Statement

### 2.7.3 Alignment with United Nations SDGs (continued)

	Material Topics	FACBII's alignment to SDGs	Goals / Targets
<b>Our Purpose</b>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Brand value</li> <li>Product innovation</li> <li>Anti-corruption</li> </ul>	<p>We believe our products support our customers' sleep experience, helping to support their health and well-being.</p> <p>We continue to drive innovation by working closely with our partners and supply chain.</p>	 
<b>Environment</b>	<ul style="list-style-type: none"> <li>Compliances to laws and regulations</li> <li>Resource conservation</li> <li>Fleet and fuel management</li> </ul>	<p>We are committed to manufacturing and operational practices which supports reduction in wastes generation based on the principles of prevention, reduction, recycling and reuse.</p>	
<b>Our People</b>	<ul style="list-style-type: none"> <li>Safe working environment</li> <li>Employee well-being</li> <li>Local recruitment policy</li> </ul>	<p>We are committed to invest into our employees through training and development, and offer competitive remuneration and benefits.</p>	

## 3.0 OUR FOCUS AREAS

### 3.1 ECONOMIC CONTRIBUTION

Through the business model, the Group has generated and distributed significant economic value to its stakeholders and supported socioeconomic development through its creation of financial value through the years. The value created for FY2024 and the last two financial years are summarised below.

Economic Contributions (in RM)	FY2022	FY2023	FY2024
Revenue	47,750,933	46,552,749	45,737,288
Salaries, wages and emoluments	11,530,999	12,756,530	11,236,798
Suppliers*	47,094,168	41,734,770	38,859,159
Government income taxes	1,711,094	656,795	2,029,447
Dividends to shareholders	0	2,180,952	1,426,007
Shareholders' funds	211,920,687	216,193,213	218,297,608

\*Based on purchase order issued.

## Sustainability Statement

### 3.2 SUPPORTING LOCAL SUPPLIERS

FACBII supports sustainable supply chains and promotes the growth of local businesses. This approach supports the Group's business strategy through the years as well as provides efficiency and productivity. Local suppliers, referring to those from Malaysia, are prioritised where ever possible.

The local supplier spending was 89% of the total spending for FY2024.

### 3.3 PRODUCT RESPONSIBILITY AND QUALITY

FACBII strives to deliver products of high safety and quality standards, serving consumers ethically and also to be a responsible supplier within the supply chain of its key clients and the industries especially the bedding requirements from five-star hotels. The responsibility to deliver trusted bedding products starts from the inner elements of the mattress such as different levels of strength, support and comfort. Its philosophy of "All About Sleep, and you" refers to the quality at the core. Committed to leading the market with its innovative products, the Group's flagship brand Dreamland mattresses are widely recognised for its durability and it comes with a minimum ten years warranty.

There were no incidents of non-compliance with regulations concerning health and safety impact of products, and no incidents of recalls issued for any reasons in FY2024.

### 3.4 PRODUCT INNOVATION

The Group is committed to continuously innovate to provide trusted, reliable and quality mattresses through close working relationship with its partners.

The Group's key technology provider is its patented Mira-coil® Spring System, the world's most advanced technology from the US and used in all mattresses in the Dreamland Chiro range. The Dreamland Chiro range are the only mattresses in Malaysia using pressure mapping technology that measures back pressure while sleeping. Co-designed and endorsed by qualified practising chiropractors, this range provides unparalleled benefits to our customers that have led Dreamland to become the market leader in the back-care mattress category.

Other on-going research and development initiatives involve innovation to enhance features to provide improved comfort and trends to meet the requirements of the different market segments.

### 3.5 BRAND VALUE

Dreamland has remained a trusted brand for decades, reflecting the Group's commitment to delivering reliability and value across different market segments.

In recognition of this commitment, the brand was honored with the prestigious "Gold" award by the Reader's Digest Trusted Brand Awards 2023, marking 15 consecutive years of recognition since the award's inception 26 years ago. This achievement underscores the unwavering trust of Malaysian consumers, who voted across six key categories: credibility, quality, value, understanding of customer needs, innovation, and social responsibility. With over 8,000 participants contributing their votes, the award highlights the brand's consistent dedication to excellence and customer satisfaction. For more details, visit [www.trustedbrands.asia](http://www.trustedbrands.asia).

## Sustainability Statement

### 3.5 BRAND VALUE (continued)

Additionally, Dreamland received the “Gold” award at the Putra Aria Brand Awards 2024 by the Association of Accredited Advertising Agents Malaysia (“4As”). Endorsed by the Malaysia External Trade Development Corporation (“MATRADE”) as its Brand Champion Partner, this prestigious award is also supported by the Malaysian Advertisers Association (“MAA”), the Media Specialists Association (“MSA”), and the Malaysian Digital Association (“MDA”). For more information, visit [www.ariaawards.my](http://www.ariaawards.my).

### 3.6 ENVIRONMENT

FACBII actively manages its environmental impacts through the implementation of operating practices and strict adherence to prevailing standards and regulations by the various regulatory bodies. During the reporting period, there was no penalties or complaints related to environmental matters, reaffirming our dedication to sustainable operations and environmental stewardship.

The energy and water consumption during FY2024 are summarised below. In addition, energy and water consumption intensity, as a function of revenue, measures the amount of energy and water consumed per unit of revenue generated, providing insight into how efficiently the Group has used the energy and water relative to its financial performance.

Total Energy Consumption	Unit	FY24	Energy Consumption Intensity
Electricity	kWh	520,264	11.80
Liquified Petroleum Gas	Kg	9,964	0.23
Revenue	RM'000	44,090	

Total Water Consumption	Unit	FY24	Water Consumption Intensity
Water	m <sup>3</sup>	3,883	0.09
Revenue	RM'000	44,090	

### 3.7 RESOURCE CONSERVATION

FACBII recognizes that the commitment to its purpose relies on resources including raw materials, fuel, packaging, and other elements which may be non-renewable in nature. To address this, FACBII is committed to incorporating sustainable practices, such as the in-house recycling of materials, to minimize waste and reduce the reliance on non-renewable resources. By implementing these practices, FACBII aims to enhance resource efficiency and support its long-term environmental and sustainability goals.

## Sustainability Statement

### 3.8 FLEET AND FUEL MANAGEMENT

FACBII is continually looking at methods to improve delivery operations through a multi-faceted approach. This includes the effective use of an online delivery scheduling application for customers which helps to streamline operations and enhance delivery planning, ensuring efficient use of fuel and time. Over the years, FACBII prioritizes a preventive maintenance program for its fleet of lorries to minimize downtime and extend vehicle lifespan while ensuring service to customers. By integrating technology and proactive maintenance, FACBII aims to achieve cost savings, reduce environmental impact, and maintain high operational standards.

FACBII is actively reviewing the Group’s assets that currently rely on non-renewable fuels to identify opportunities for conversion to electric power. In FY2024, the Group successfully replaced a diesel-powered forklift with a lithium-battery-powered model.

### 3.9 OUR PEOPLE

FACBII is committed to providing a safe and conducive working environment for its 177 employees, demonstrating a deep care for their well-being. This dedication is evident in the long service of many employees, whose enduring loyalty reflects the supportive workplace culture that FACBII has cultivated over the years. The Group prioritizes local hiring, underscoring its commitment to local community development.

Total employees, by gender	Number
Male	120
Female	57
Total	177

FACBII also recognizes the importance of maintaining a balanced workforce across various roles. While management and non-executive positions tend to be male-dominated, partly due to the nature of production and logistics operations, the executive level sees a stronger representation of women. This balance highlights FACBII’s dedication to fostering a diverse and inclusive workplace.

Total employees, by age	Male (%)	Female (%)
Management	75	25
Executive	35	65
Non-executive	73	27

Total employees, by age	Below 30 years (%)	30 – 50 years (%)	More than 50 years (%)
Management	0	13	87
Executive	8	42	50
Non-executive	24	43	33

There have been no complaints concerning human rights violations during FY2024.

## Sustainability Statement

### 3.10 HEALTH AND SAFETY

FACBII prioritizes health and safety through comprehensive training and development programs. The Group ensures that all employees receive up-to-date health and safety training, including regular updates on best practices and compliance with safety regulations. By investing in continuous education, FACBII not only maintains a safe work environment but also fosters the professional growth and development of its employees. The Group acknowledges the paramount importance of health and safety for all its employees.

There were no fatalities and no work-related incidents within our workforce during FY2024.

Work-related Incidence	Number of Employee
Fatalities	0
Injuries Requiring Hospitalization (Major)	0
Injuries Not Requiring Hospitalization (Minor)	0

Total hours of training by employee category	Hours of training
Management	18
Executive	183
Non-executive	413

### 3.11 DATA PRIVACY AND SECURITY

During FY2024, there were no complaints concerning breaches of customer privacy.

# Sustainability Statement

## 4.0 SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	89.00
Executive	Percentage	96.00
Non-executive	Percentage	97.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities		
	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	13.00
Management Above 50	Percentage	87.00
Executive Under 30	Percentage	8.00
Executive Between 30-50	Percentage	42.00
Executive Above 50	Percentage	50.00
Non-executive Under 30	Percentage	24.00
Non-executive Between 30-50	Percentage	43.00
Non-executive Above 50	Percentage	33.00
Gender Group by Employee Category		
Management Male	Percentage	75.00
Management Female	Percentage	25.00
Executive Male	Percentage	35.00
Executive Female	Percentage	65.00
Non-executive Male	Percentage	73.00
Non-executive Female	Percentage	27.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	40.00
Above 50	Percentage	60.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption		
	Megawatt	520.00

Internal assurance

External assurance

No assurance

(\*) Restated



## Sustainability Statement

### 4.0 SUSTAINABILITY PERFORMANCE DATA (continued)

Indicator	Measurement Unit	2024
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	27
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	18
Executive	Hours	183
Non-executive	Hours	413
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.60
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	3
Non-executive	Number	20
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	4.000000

Internal assurance

External assurance

No assurance

(\*)Restated

# Corporate Governance Overview Statement

## PREAMBLE

The Board of Directors of FACB Industries Incorporated Berhad (“the Company”) is committed to its fiduciary responsibilities for sound corporate governance in its business management practices. Accordingly, the Board supports the Principles and Practices laid out in the Malaysian Code on Corporate Governance 2021 (“the Code”) wherein an overview disclosure pursuant to the Code is mandated under paragraph 15.25(1) of the Bursa Malaysia Main Market Listing Requirements. Furthermore, embedded in this overview statement are integral disclosures on the Nominating Committee’s activities and Directors’ Training as prescribed under paragraphs 15.08A(3) and 15.08 of the foregoing Listing Requirements, respectively.

In particular, the Board is pleased to set out below the manner in which the Company has applied the 3 main principles in the Code known as, Board Leadership and Effectiveness (Principle A), Effective Audit And Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) via 43 Practices and 5 Step Ups, throughout the financial year ended 30 June 2024, which is to be read together with the Corporate Governance Report (which details how the Company has applied each Practice of the Code), as available in the Company’s website [www.facbi.com](http://www.facbi.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### I Board Responsibilities

**1.0 Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.**

#### 1.1 Board Oversight

The Company is led and controlled by an experienced Board with a wide range of expertise. Board members’ judgements have a bearing on strategies, performances, resources and standards.

The Board is responsible for, among others, supervising the affairs of the Company to ensure its success is within the acceptable risks. It reviews management performance and ensures that necessary resources are available to meet the Company’s objectives. The Board has delegated day-to-day operational decisions to the management who are also responsible for monitoring daily operational matters.

The Board has clear roles and responsibilities in discharging its fiduciary and leadership functions and has established clear functions reserved for the Board and those that were delegated to the management which are embodied in the Board Charter.

All Directors must act in the best interest of the Company and shall disclose to the Board of any potential conflict of interest as soon as he or she becomes aware of such interest.

The Board reviews the Company’s budgets and business operations, identifies risks and ensures the existence of adequate internal control systems to manage risks. It reviews quarterly performance, the subsequent three months and long term plans during Board meetings. It provides inputs and views in developing the Company’s business strategies and ensures the management has devoted sufficient time and resources and thorough thought in formulating the strategies.

## Corporate Governance Overview Statement

### Management

The Executive Director and the management are responsible for developing corporate strategies and implementing policies of the Board while managing business operations. The management would table quarterly performance, strategic plans, risks and challenges as well as status of their execution to the Board for deliberation during Board meetings.

The Non-Executive Directors are independent of management, free of any business relationship and ensure that business plans, strategies and new inputs proposed are objectively evaluated. They provide constructive inputs from different perspectives in addition to acting as a form of check and balance for the Executive Director and the management.

### Board Committees

The Board has delegated specific responsibilities to Board Committees which comprise the Audit Committee, Nominating Committee and Remuneration Committee. These Committees operate within defined terms of reference and are limited to making recommendations to the Board for final decision on matters discussed and deliberated.

#### 1.2 Board Chairman

The Board is led by the Chairman Mr Chen Yiy Fon, a Director with broad and deep exposure in the business and corporate world. The Chairman assumes leadership in order that the Board can perform its responsibilities effectively and efficiently. The principal duties and responsibilities of the Board is to effectively lead and control the Company. The Board is to oversee the performance of management in a collegial relationship that is supportive yet vigilant. It is also responsible for the Company's strategies, objectives, succession plan and accountability to shareholders.

#### 1.3 Board Accountability

To ensure balance of power and authority, the roles of Chairman and CEO are distinct and separate. The Chairman is primarily responsible for ensuring the Board's effectiveness while the CEO is responsible for the efficient management of the business and operations. The CEO has been vested with the authority and responsibility for implementing policies, strategies and decisions adopted by the Board. In the absence of CEO, the chief executive officer at the business division is responsible for implementing policies, strategies and decisions adopted by the Board. Mr Lim Kam Choy has been appointed as the Company's CEO effective 1 August 2024.

#### 1.4 Chairman Of The Board Should Not Be A Member Of Audit, Nominating Or Remuneration Committees

The Chairman is not a member of the Audit Committee, Nominating Committee and Remuneration Committee. The Board acknowledges the importance of the Chairman not to be a member of the Audit Committee, Nominating Committee or Remuneration Committee which may give rise to risk of self-review and impair the objectivity of the Chairman and the Board.

## Corporate Governance Overview Statement

### 1.5 Company Secretary

The Company Secretary, Mr Lee Boo Tian is a licensed Company Secretary under the Companies Act 2016. He plays a supporting role to the Board to assist adherence to the Board policies, procedures, Bursa Malaysia Main Market Listing Requirements and other compliances.

The Company Secretary maintains the statutory records in accordance with legal requirements, organizes and facilitates the convening of Board meetings, Board committee meetings and general meetings, in consultation with the Board members and the Chairman.

The Company Secretary records, prepares and circulates minutes of meeting of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates and circulates to the Board members amendments to the Listing Requirements, practices and guidance notes from Bursa Malaysia Securities Berhad which affect the Company and its business operations.

In particular, the Company Secretary carries out among others, the following:

- attending Board and Board Committee meetings and ensuring that these meetings are properly convened and proceedings are properly recorded;
- ensuring that all appointments to the Board and Board Committees are properly made;
- maintaining records for the purpose of meeting statutory obligations;
- facilitating the ongoing provision of information as may be requested by the Directors and supporting the Board in ongoing adherence to Board policies and procedures.

### 1.6 Board Meetings

Four (4) Board meetings were held during the financial year ended 30 June 2024 (with details of attendance presented under Other Compliance Statements of this Annual Report). In between scheduled meetings and where appropriate, Board decisions were effected via circular resolutions.

All Directors are committed and have devoted sufficient time to discharge their duties during the financial year. They are also accessible by the management on telephone calls for discussion on all matters affecting the Company. It is a practice that any director before accepting any new directorship would assure the Chairman that his or her time commitment and contribution to the Company would not be compromised.

The Board is provided with an agenda of Board meeting and detailed information to enable them to deliberate in the meeting and make decisions. Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and circulated earliest possible to the Board members.

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Bursa Malaysia Main Market Listing Requirements (minimum 50% attendance).

## Corporate Governance Overview Statement

### Supply Of Information

The Directors have full and unrestricted access to all information pertaining to the Company's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Board meetings are held quarterly to deliberate inter-alia on the Company's corporate developments, financial results, business operations, risk management and internal audit reports with proceedings duly minuted and signed by the meeting Chairman.

During Board Meetings, management is required to furnish further details on any issues raised and to provide supplementary information at the Board's behest. The Board of Directors also has ready and unrestricted access to the advice and services of the Company Secretary to enable the Directors to discharge their duties effectively. Directors may also seek briefings from the management or auditors on specific matters in addition to the regular presentations to the Board. At least one week prior to the Board meetings, the Directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting to enable sufficient time frame to consider any matters arising.

The Directors whether as a full Board or in their individual capacity may obtain independent professional advice at the Company's expense in furtherance of their duties. In such a situation, a copy of the report or independent advice would be made available to the Chairman and all Directors for deliberation. No such matters were individually referred to external legal counsels for advice during the financial year ended 30 June 2024.

**2.0 There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.**

### 2.1 Board Charter

The Company has in place a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective Board members and senior management.

## Corporate Governance Overview Statement

The Board Charter also outlines the roles and responsibilities of various Board Committees, the Chairman and the CEO/management of the Company as well as policies and practices in respect of matters such as the convening of Board and Board Committee meetings. The Board Charter covers among others the following:

- Constitution, Duties and Responsibilities of the Board
- Chairman and CEO's Respective Responsibilities
- Board and Board Committees' meeting procedures
- Relationship of the Board to Management
- Access to Timely and Quality information
- Access to Advice and Procedure
- Board committees including Audit Committee, Nominating Committee and Remuneration Committee's Responsibilities
- Shareholders – Investor Relations
- Evaluation Mechanism/Framework

The Board Charter provides a basis for good governance, effective functioning and accountability of the Company. It also ensures that the Company and its subsidiaries are effectively led and controlled with the Board of Directors having the ultimate responsibility for maintaining the highest standards of integrity, accountability and corporate governance and acting in the interest of the Company as a whole. In particular, it includes division of responsibilities and powers between the Board and the management, different responsibilities among the Board committees, and between the Chairman and the CEO.

The Board Charter is updated from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislations and regulations.

The Board Charter has wide coverage on the Company's operations and management and is viewable on the Company's website [www.facbi.com](http://www.facbi.com).

### **3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.**

#### **3.1 Code Of Conduct And Ethics**

The Board has adopted a Code of Conduct and Ethics which outlines its standards of ethical behaviour in discharging duties and responsibilities. This Code and the Anti-corruption Policy aim to enhance the standard of corporate governance and behaviour as well as upholding the spirit of responsibility including legal and social responsibility in line with prevailing legislation, regulations and guidelines.

The Code and the Anti-corruption Policy reflect the commitment of the Company to run the Group's business that is legal, ethical, fair, efficient and effective, aligned to its business standards.

The Code and the Anti-corruption Policy are published on the Company's website.

## Corporate Governance Overview Statement

### 3.2 Whistle-Blowing And Anti-Corruption Policies

Anti-corruption and Whistle-blowing policies have been established to ensure that the Group's business and operations are conducted in an ethical, moral and legal manner.

The policies are designed to encourage employees or external parties to disclose suspected malpractice and misconduct, address and mitigate corruption risks and provide protection to employees or external parties who report allegations of such practices.

The Whistle-blowing and Anti-corruption policies are published on the Company's website.

### 4.0 The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

#### 4.1 Governing Sustainability

The Board recognizes the need for strategies and plans to promote and contribute towards sustainable development with particular focus on economic, environmental, social and governance ("ESG") aspect of business. Management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensure the effective implementation of the Group's sustainability strategies and plans.

The governance and reporting on the Group's sustainability agenda are led by the senior management and overseen by the Board. Together with the management, the Board ensures that the strategic plan of the Group supports the long-term shareholder value creation in the Group's operations.

The Group's Sustainability Statement appears in the Company's Annual Report.

#### 4.2 Communicating Sustainability Implementation To Stakeholders

The Group's sustainability implementation is communicated via its Sustainability Statement to its internal and external stakeholders. The Statement appears in the Company's Annual Report viewable at the Company's website [www.facbi.com](http://www.facbi.com).

#### 4.3 Understand Sustainability Issues Relevant To The Group

The Board encourages directors and senior management to keep abreast with sustainability issues relevant to the Group's business operations. The Nominating Committee also reviews the training needs of the Directors to ensure they stay abreast with the development in the industry including sustainability issues relevant to the Group.

#### 4.4 Performance Evaluation Links To Addressing Sustainability

The Nominating Committee assess on an annual basis the effectiveness of the Board as a whole and the contribution of each director, including the Board and senior management's performance in addressing the company's sustainability risks and opportunities.

## Corporate Governance Overview Statement

### II Board Composition

#### 5.0 **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

##### 5.1 **Board Composition**

On the nomination of the Nominating Committee, Mr Leong Choong Wah, Mr Michael Lai Kai Jin and Mr Tee Meng Kwang were appointed on 2 August 2023 as independent directors of the Company. There were no other new appointments during the financial year ended 30 June 2024. In compliance with the twelve (12) years tenure limit on independent directors under Listing Requirements, Datuk Wan Kassim Bin Ahmed, Dato' Dr Abdul Razak Bin Abdul and Mr Lim Mun Kee resigned as independent directors of the Company on 30 May 2023.

The Nominating Committee has an assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the tenure and contribution of each individual director, including the Independent Non-Executive Directors. Annual re-election of directors was contingent on satisfactory evaluation of the director's performance and contribution to the Board.

The Board comprises professionals drawn from varied backgrounds bringing with them in-depth and diversity in experience to the Group's business operations. The Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies.

The Executive Directors have direct responsibility for business operations whereas Non-Executive Directors are responsible for bringing independent objective judgement to bear on Board deliberations.

The profiles of the Directors are set out under Profiles of the Directors and Key Senior Management of this Annual Report.

##### 5.2 **Half Of The Board Comprises Independent Directors**

The Board consists of five (5) members, comprising two (2) Executive Directors and three (3) Non-Executive Directors. Among the Non-Executive Directors, all three (3) are Independent, hence more than half of the Board is independent.

##### 5.3 **Tenure Of Independent Directors**

The Board is mindful of the recommendation of the Code for the tenure of an Independent Director not exceeding a cumulative term of nine (9) years.

Independent Non-Executive Directors, Datuk Wan Kassim Bin Ahmed, Dato' Dr. Abdul Razak Bin Abdul and Mr Lim Mun Kee had served more than nine (9) years resigned on 30 May 2023. Three (3) new independent directors were appointed subsequent to their resignations.



## Corporate Governance Overview Statement

### 5.4 Tenure Limits For Independent Directors

The Board acknowledges the risk to independence and objectivity of Independent Directors with long tenures. With three (3) independent directors recently appointed subsequent to resignations of the former three (3) independent directors on 30 May 2023, the Board deferred the establishment of the policy to limit the tenure of independent directors to nine (9) years.

### 5.5 Board And Key Senior Management Appointments

The Board appoints its members and Key Senior Management through a selection process taking into consideration Nominating Committee's nominations, the assessment mechanism in the Board Charter and the criteria in the Directors' Fit and Proper Policy which can be located on the Company's website [www.facbi.com](http://www.facbi.com).

### 5.6 Sources For Board Appointments

The Board has established Nominating Committee with appropriate terms of reference on 25 February 2002. Nominating Committee would look into a more diverse pool of candidates instead of being limited to recommendations from Board, management or major shareholders.

The Company also has in place criteria for candidates as stated in the Company's Board Charter and Fit and Proper Policy, covering mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

Taking into consideration paragraph 2.20A/15.08A of the Listing Requirements and Fit and Proper Policy, the Nominating Committee met on 23 May 2024 and deliberated, among others, on the followings:

- reviewed the Board and its committees' compositions and their compliance with Listing Requirements and Corporate Governance;
- assessed the Board and its committees' mix of skills, experience, independence, performance, gender diversity and succession;
- assessed each director/senior management's contribution, integrity, competency, experience, independence, time commitment and attendance at meetings;
- reviewed Board committees' terms of reference/office;
- evaluated performance of the Share Registrar;
- evaluated directors' re-elections and training;

On 31 July 2024, the Committee nominated Mr Lim Kam Choy as the Company's CEO, and Mr Lim was appointed effective 1 August 2024 after further evaluation by the Board members.

All members of the Nominating Committee are independent directors, as follows:

1. Mr Michael Lai Kai Jin (Chairman)
2. Mr Leong Choong Wah
3. Mr Tee Meng Kwang

## Corporate Governance Overview Statement

### **5.7 Information On Candidates Who Stand For Appointment And Reappointment As Directors**

The information for shareholders to make an informed decision on a candidate who stands for appointment or reappointment as director and the Board's statement/reasons as to whether it supports the appointment and reappointment are stated in the notice of general meeting.

### **5.8 Nominating Committee Chairman**

The Nominating Committee is chaired by an Independent Non-Executive Director identified by the Board, thereby enhancing the Committee's overall effectiveness.

Mr Michael Lai Kai Jin is the Nominating Committee Chairman. The Board has also identified Mr Leong Choong Wah as the Senior Independent Non-Executive Director, to whom concerns may be raised.

### **5.9 Women Directors**

The Company currently has five (5) directors and one (1) of them is a woman director. More female representations will be considered when vacancies arise and suitable candidates are identified.

### **5.10 Policy On Gender Diversity**

The Board acknowledges the importance of Board and senior management diversity, including gender diversity, to the effective functioning of the Board, underpinned by the overriding primary aim of selecting the best candidates to support the achievement of the Company's objectives.

The Company currently does not adopt any formal policy on gender diversity. Taking into consideration the nature, size and scope of the current business operations and investments, the Board is of the view that the Company's current composition and structure should be maintained for the time being. More female representations will be considered when vacancies arise and suitable candidates are identified.

## Corporate Governance Overview Statement

### **6.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors**

#### **6.1 Board Evaluation**

The Nominating Committee established by the Board, is responsible for screening, evaluating and recommending suitable candidates to the Board for appointment as Directors, as well as filling the vacant seats of the Board Committees. In respect of the appointment of Directors, the Company practises a transparent nomination process which involves the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, final deliberation by the Nominating Committee and recommendation to the Board. The potential candidates may be proposed by an existing director, senior management staff, shareholders or third parties' referrals. Upon completion of the assessment and evaluation of the proposed candidates, the Nominating Committee would make its recommendation to the Board. Based on the recommendation, the Board would evaluate and decide on the appointment of the proposed candidates.

The Nominating Committee has an assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors. The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial year, the Committee met once on 23 May 2024.

At the meeting, the Nominating Committee considered the compositions of the Board and its committees as well as their performance. As a result of discussions, succession planning has become an area frequently visited to ensure it would not become a material risk to the Company.

#### **Re-election**

In accordance with the Company's Constitution, all Directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. This provision is fully in line with paragraph 7.26 (2) of the Bursa Malaysia Main Market Listing Requirements. The Constitution also provides that any director appointed during the year is required to retire and seek re-election at the following AGM immediately after such appointment.

The Directors who are subject to re-election at the AGM will be assessed by the Nominating Committee on their performance whereupon recommendations will be submitted to the Board for decision on the proposed re-election of the Directors concerned for shareholders' approval at the forthcoming AGM.

## Corporate Governance Overview Statement

### III Remuneration

**7.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.**

**Remuneration policies and decisions are made through a transparent and independent process.**

#### 7.1 Policies And Procedures

The Remuneration Committee's duty is to, inter-alia, review the remuneration framework and packages of newly appointed and existing Executive Directors and Key Senior Management and make recommendations to the Board for approval, with the underlying objective of attracting, motivating and retaining Directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance, business strategy and long-term objective of the Company.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors abstain from discussion pertaining to their own remuneration.

Policies and procedures would be updated and made available in the Company's website.

#### 7.2 Remuneration Committee

The Board had established a Remuneration Committee with appropriate terms of reference, on 25 February 2002. The primary objective of the Remuneration Committee is to assist the Board in developing and establishing competitive remuneration policies and packages in all its forms, while drawing advice from experts if deemed necessary.

In compliance with the Code, wherein the Remuneration Committee should consist wholly of Non-Executive Directors with a majority of Independent Directors, the Committee currently comprises all Independent Non-Executive Directors, as follows:

1. Mr Tee Meng Kwang (Chairman)
2. Mr Leong Choong Wah
3. Mr Michael Lai Kai Jin

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met once on 15 August 2023.

## Corporate Governance Overview Statement

**8.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.**

**8.1 Detailed Disclosure Of Directors Remuneration On A Named Basis**

The details of Directors' Remuneration on a named basis are summarized under Other Compliance Statements of this Annual Report.

**8.2 Disclosure Of Top Five Senior Management's Remuneration In Bands Of RM50,000**

Top five (5) Senior Management's Remuneration in bands of RM50,000 are summarized under Other Compliance Statements of this Annual Report.

The above disclosure represents a departure from the Principles of Malaysian Code on Corporate Governance, which prescribes individual disclosure of senior management's remuneration. At this time the Board is of the opinion that individual disclosure would result in a significant and adverse increase in the targeting and acquisition of human resources across the industry and will serve to be counterproductive to the implementation of business initiatives that have been put in place.

**8.3 Detailed Disclosure Of Every Senior Management's Remuneration On A Named Basis**

This Step Up on the prevailing Code Practice is not adopted as it would extensively impair the Company's interests, as explained in Practice 8.2 above.

### **PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**

#### **I Audit Committee**

**9.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.**

**9.1 Audit Committee Chairman**

To promote overall effectiveness and independence of the Audit Committee, the current Audit Committee Chairman, Mr Leong Choong Wah, is not the Board Chairman.

**9.2 Former Key Audit Partner**

There is currently no former Key Audit Partner on the Company's Board or Audit Committee. Nevertheless, the Company intends to establish a policy for Audit Committee membership in respect of a former Key Audit Partner to observe a cooling-off period of at least three (3) years to avoid undue influence, in due course when the need arises.

## Corporate Governance Overview Statement

### 9.3 Relationship With The Auditors

The Board via the establishment of an Audit Committee maintains a formal and transparent relationship with the Company's auditors and place great emphasis on the objectivity and independence of the Company's external auditors.

The roles of the Audit Committee in relation to the auditors in particular, and corporate governance in general, are detailed in the Audit Committee Report of this Annual Report.

### 9.4 Audit Committee Independence

The existing Audit Committee comprises solely of Independent Non-Executive Directors, a Step Up on the prevailing Code Practice.

### 9.5 Audit Committee Skills Composition

The Audit Committee members possess a wide range of skills and are financially literate as detailed in the Directors' Profile of this Annual Report.

### Continuing Education Of Directors

Directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. Based on the time frame as prescribed, all the Directors are in compliance with the requirement.

Directors' training is an on-going process as the Directors recognize the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the relevant industry and business landscape.

Board members were updated regularly by the Group Internal Auditor on the developments and trends in Corporate Governance principles and best practices besides local regulatory developments. The Company Secretary will also re-direct email on listing requirements, invitations on seminars, breakfast talks and briefings from Bursa and various professional bodies from time to time to the Directors and management for consideration and participation.

Apart from inputs from Directors, the training needs of the Directors will be considered by the Board's Nominating Committee.

The directors and senior management had been regularly updated on developments and trends in the relevant industries, corporate governance, best practices, listing requirements, risk management and sustainability relating to the Group's business operations. The Directors had also participated in Bursa's Mandatory Accreditation Programme. The Nominating Committee, after deliberations, was of the view that the said updates and discussions were adequate for the time being in view of the Group's nature, size and scope of business operations.

## Corporate Governance Overview Statement

### II Risk Management and Internal Control Framework

**10.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with a reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

#### 10.1 Risk Management And Internal Control

The Statement on Risk Management and Internal Control, set out in this Annual Report, provides an overview of the Company's approach in maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Company's assets.

#### 10.2 Key Features Of The Framework

Key features of the Risk Management and Internal Control Framework are detailed in the Statement on Risk Management and Internal Control of this Annual Report.

#### 10.3 Establishment Of A Risk Management Committee

The Board is satisfied that the Risk Advisory Committee, comprising senior management personnel and reporting to the Audit Committee on risk management framework and policies, is adequate under the existing control environment. Nevertheless, this represents a non-adoption of the Step Up Code Practice which advocates a stand-alone Risk Management Committee.

**11.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

#### 11.1 Internal Audit Effectiveness & Independence

The Audit Committee ensures that internal audit is effective and is able to function independently as detailed in the Audit Committee Report of this Annual Report.

#### 11.2 Internal Audit Resource

The Group Internal Auditor, Mr Lee Poh Loong, was responsible for the function, during the financial year. Mr Lee is a Chartered Member of the Institute of Internal Auditors, Malaysia, a Chartered Global Management Accountant (UK), as well as a member of the Malaysian Institute of Accountants.

The above personnel is free from any relationships or conflict of interests which could impair objectivity and is organizationally independent of the auditees as Internal Audit reports functionally to the Audit Committee and administratively to the Executive Director.

Internal audit is carried out in accordance with the International Professional Practices Framework of the Institute of Internal Auditors (US).

## Corporate Governance Overview Statement

### **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

#### **I Communication With Stakeholders**

**12.0 There is continuous communication between the company and stakeholder to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

#### **12.1 Dialogue Between Company And Stakeholders**

The Company recognizes the importance of keeping stakeholders well informed of the Company's major corporate developments and events. The Board had directed the Company to disclose all relevant information to stakeholders to enable them to exercise their rights. Such information is duly and promptly announced via Bursa Malaysia and other appropriate communication channels.

In particular, dissemination of information includes the distribution of Annual Reports, announcement of quarterly financial performances, issuance of circulars, press releases and holding of press conferences where applicable.

#### **II Conduct Of General Meetings**

**13.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.**

#### **13.1 Notice Of AGM**

The AGM is the principal platform for dialogue with shareholders, wherein, the Board presents the operations and performance of the Company. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Company's business.

The Company has taken active steps to encourage shareholder participation at general meetings such as issuing notices for meetings at least 28 days prior to the meetings. The Chairman and members of the Board are available to respond to shareholders' queries during the meeting.

#### **Financial Reporting**

The Board is responsible for ensuring a balanced and understandable assessment of the Company's position and prospects in its quarterly announcements and annual reports. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is also included in this Annual Report.



## Corporate Governance Overview Statement

### **13.2 Attendance At AGM**

All Directors make it a point to attend AGMs in order to engage with shareholders on their concerns, in particular quest for information, in general.

### **13.3 Facilitation Of Shareholders' Participation**

As a listed company with a large number of shareholders, email questions before AGM and proxy voting are encouraged.

To further enhance transparency to all shareholders of the Company, the Company has established a website at [www.facbi.com](http://www.facbi.com) where shareholders can access information encompassing corporate information, financial highlights, annual reports and announcements via Bursa Malaysia Securities Berhad.

To leverage on technology and ensure good cyber hygiene practices, the Company engaged Tricor Investor & Issuing House Services Sdn Bhd to help conduct its 2023 AGM on a fully virtual basis through live streaming and online remote voting.

### **13.4 Engagement Between The Board, Senior Management And Shareholders**

Questions from shareholders could be submitted through online portal before commencement of the 2023 AGM. Chairman had invited questions during the AGM and a question-and-answer session was held during the AGM. Shareholders could also use the query box to submit their questions during the meeting in real time.

In short, questions from shareholders can be submitted before commencement of AGM.

### **13.5 Real-time Interaction With Shareholders**

To ensure a smooth broadcast of the general meeting and interactive participation by shareholders, the Company engaged Tricor Investor & Issuing House Services Sdn Bhd and responded to all questions posed before and during the 2023 AGM.

### **13.6 Circulation Of Minutes of AGM**

Taking note of the large number of shareholders and the shareholders may change from time to time, instead of circulating the Minutes to shareholders, the Company makes available on the Company's website key matters discussed and other important points raised (if any) during the general meeting earliest possible after the general meeting, fewer than 30 business days.

This statement is made in accordance with a resolution of the Board of Directors dated 10 October 2024.

# Statement on Risk Management and Internal Control

## PREAMBLE

Pursuant to paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements, the Board of Directors is required to include in its Annual Report, a statement on the state of risk management and internal control of the Company. In making this Statement on Risk Management and Internal Control, it is essential to address the principles and recommendations in the Malaysian Code on Corporate Governance (“the Code”) which relate to risk management and internal control.

## RESPONSIBILITY

The Board of Directors has overall stewardship responsibility for the Company’s system of risk management and internal control and for reviewing its adequacy and integrity to safeguard shareholders’ investment and the Company’s assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The associated companies have not been dealt with as part of the Company for the purpose of this statement.

## INTERNAL CONTROL FRAMEWORK

The embedded control system is designed to facilitate achievement of the Company’s business objectives. It comprises the underlying control environment, control procedures, communication and monitoring processes which manifest as follows:

- Organizational structure defining lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nominating and Remuneration Committees, the Board is supported by executive management operationally. These committees convene periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.
- Policies and procedures have been established, periodically reviewed and updated in accordance with changes in the operating environment.
- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.
- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with budgeting and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.
- Detailed justification and approval process for major projects and acquisitions imposed, to ensure congruence with the Company’s strategic objectives.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures and legislations whilst assessing the effectiveness of the Company’s system of financial, compliance and operational controls.

## Statement on Risk Management and Internal Control

### RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Company's internal control systems, the Board regards risk management as an integral part of the business operations. The Board recognizes its responsibility over the principal risks of various aspects of the Company's business. For long term viability of the Company, the Board acknowledges that, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Company confirms that there is an on-going process of identifying, evaluating, managing, monitoring and reporting significant risks affecting the achievement of the Company's business objectives via the establishment of an in-house structured risk management framework.

A Risk Advisory Committee ("RAC") comprising senior management personnel, is responsible inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 1 March 2002.

The process of identification, evaluation and management of significant risks faced by the Company is led by the Executive Director and the Chief Financial Officer and supported by senior management.

In particular, the Company's risk management process is focused on the following objectives:

- risks arising from business strategies and activities are identified and prioritized by functional heads;
- management and the Board have determined the Company's risk appetite vis-à-vis the accomplishment of the Company's strategic plans;
- risk mitigation activities are designed and implemented to manage risks at an acceptable level sanctioned by management and the Board.

A key Risk Register would be prepared by RAC, tabled at the Audit Committee meeting for review and circulated to the Board for notation. The risk management process involves:

1. Establishment of objectives.
2. Risk identification and evaluation.
3. Risk control identification and evaluation, and
4. Treatment or remedial actions.

The key risks identified by RAC include:

1. Brand protection, to remain as top consumer choice.
2. Risk of fire and flood.
3. Adverse impact of economic slowdown.
4. Succession planning.
5. Operational efficiency and sustainability.

During the financial year, the RAC monitored the Company's significant risks and recommended appropriate treatments. The Audit Committee facilitated by the internal audit function, establishes the adequacy and effectiveness of the Company's Risk Management Framework by regularly reviewing the resultant RAC risk register.

## Statement on Risk Management and Internal Control

### INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Company's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Company's risk management and internal control systems and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Company's major business sectors is routinely reviewed and approved by the Audit Committee.

Quarterly, the Board of Directors, through its Audit Committee, has reviewed the adequacy and effectiveness of the Company's risk management process and internal control systems and relevant actions have been or are being taken as the case may be, to remedy the internal control weaknesses identified from the reviews, which was largely based on the outcome of observations raised by internal auditors directly to the Audit Committee.

### INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Company's control environment and processes. The Executive Director and the Chief Financial Officer have provided assurance to the Board that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control frameworks of the Company.

The management will continue and take measures to ensure the ongoing effectiveness and adequacy of the system of risk management and internal controls, so as to safeguard shareholders' investment and the Company's assets. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 10 October 2024 and has been duly reviewed by the external auditors as required under Paragraph 15.23 of Bursa Malaysia Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and, Audit and Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

# Audit Committee Report

## PREAMBLE

Pursuant to paragraph 15.15 of the Bursa Malaysia Main Market Listing Requirements, the Board is required to prepare an Audit Committee Report for inclusion in its Annual Report.

## COMPOSITION

The members of the Audit Committee, their respective designations and directorships are as follows:

### Chairman

Mr. Leong Choong Wah *Independent Non-Executive Director*

### Members

Mr. Michael Lai Kai Jin *Independent Non-Executive Director*

Mr. Tee Meng Kwang *Independent Non-Executive Director*

## TERMS OF REFERENCE

The primary objective of the Audit Committee (as a standing committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control. The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

The Terms of Reference comprising Purpose, Reporting responsibilities, Frequency of meetings, Quorum, Authority and Duties are detailed on the Company's website at [www.facbi.com](http://www.facbi.com).

## DETAILS OF MEETINGS

The Audit Committee met four (4) times during the financial year ended 30 June 2024 and details of attendance are as follows:

Mr. Leong Choong Wah	4/4
Mr. Michael Lai Kai Jin	4/4
Mr. Tee Meng Kwang	4/4

## Audit Committee Report

### SUMMARY OF AUDIT COMMITTEE WORK

In discharging its responsibilities for the financial year, the Audit Committee, in particular:

- Reviewed the quarterly and year end financial statements and made recommendation to the Board.
- Reviewed and approved the annual internal audit work plan.
- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out.
- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Company.
- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Company's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their auditor's reports and management letters in relation to the audit and accounting issues arising from the audit.
- Conducted an annual assessment of the suitability and independence of the external auditors and thereafter made recommendations to the Board for their reappointment and subsequently sought shareholders' approval at the forthcoming Annual General Meeting.
- Reviewed the Company's compliance with regards to the Bursa Malaysia Main Market Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

### SUMMARY OF INTERNAL AUDIT WORK

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. In meeting its responsibilities, the internal audit function is necessarily guided by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. In particular, risk-based plans are established to determine the priorities of internal audit activities, consistent with the Company's goals. The cost incurred on this function which includes risk management and corporate governance was RM92,680/- for the financial year. During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Company's internal control system.
- Analysed and assessed key business processes, report findings, and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit recommendations to ensure adequate implementation.
- Advised on the implementation of the Malaysian Code on Corporate Governance and Bursa Malaysia Main Market Listing Requirements.
- Performed special review as requested by the Board and Management.
- Facilitated and reviewed the Company's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 10 October 2024.

# Directors' Responsibility Statement

## PREAMBLE

Pursuant to Paragraph 15.26(a) of the Bursa Malaysia Main Market Listing Requirements, the Directors are required by Malaysian company law to prepare for each accounting period financial statements which give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the results of their operations and cash flows for that period.

## RESPONSIBILITY

In preparing the financial statements the Directors are required to select and apply consistently suitable accounting policies and make reasonable and prudent judgements and estimates. Applicable accounting standards also have to be followed and a statement made to that effect in the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016.

They are also responsible for taking reasonable steps to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 10 October 2024.

## Other Compliance Statements

### 1. DIRECTORS' ATTENDANCE AT BOARD MEETINGS

During the financial year, the Board held four (4) formal meetings. The attendance of Directors at the Board Meetings is as follows:

Directors	Board Meetings			
	15.8.2023	28.11.2023	27.2.2024	23.5.2024
Chen Yiy Fon	√	√	√	√
Puan Sri Lee Chou Sarn	√	√	√	√
Leong Choong Wah	√	√	√	√
Michael Lai Kai Jin	√	√	√	√
Tee Meng Kwang	√	√	√	√

N/A Not Applicable     
  √ Attended     
  X Not attended

### 2. REMUNERATION OF DIRECTORS AND TOP SENIOR MANAGEMENT

The remuneration (in RM) of Directors for the financial year is as follows:

Description	Group				Company			
	Fees	Salaries and other Emoluments	Estimated Benefits-in-kind	Total	Fees	Salaries and other Emoluments	Estimated Benefits-in-kind	Total
<b>Executive</b>								
Chen Yiy Fon	-	149,734.60	-	149,734.60	-	-	-	-
Puan Sri Lee Chou Sarn	-	371,862.80	17,100.00	388,962.80	-	-	-	-
<b>Non-Executive</b>								
Leong Choong Wah	68,200.00	-	-	68,200.00	68,200.00	-	-	68,200.00
Michael Lai Kai Jin	68,200.00	-	-	68,200.00	68,200.00	-	-	68,200.00
Tee Meng Kwang	68,200.00	-	-	68,200.00	68,200.00	-	-	68,200.00
<b>Total</b>	<b>204,600.00</b>	<b>521,597.40</b>	<b>17,100.00</b>	<b>743,297.40</b>	<b>204,600.00</b>	<b>-</b>	<b>-</b>	<b>204,600.00</b>



## Other Compliance Statements

The top senior management of the Company whose total remuneration falls within the following bands are as follows:

RM100,001 to RM150,000	1
RM250,001 to RM300,000	1
RM350,001 to RM400,000	2
RM650,001 to RM700,000	1
<b>Total</b>	<b>5</b>

The above disclosure represents a departure from the Principles of Malaysian Code on Corporate Governance which prescribes individual disclosure of senior management's remuneration. At this time the Board is of the opinion that individual disclosure would result in a significant and adverse increase in the targeting and acquisition of human resources across the industry and will serve to be counter productive to the implementation of business initiatives that have been put in place.

### 3. UTILISATION OF PROCEEDS

During the financial year, the Company did not raise funds from any corporate exercise.

### 4. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees for the financial year are listed below:

	Group (RM)	Company (RM)
Audit fees	185,014	58,400
Non-audit fees	4,800	4,800
<b>Total</b>	<b>189,814</b>	<b>63,200</b>

### 5. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive who is not a director or major shareholders during the financial year or subsisting at the end of the financial year.

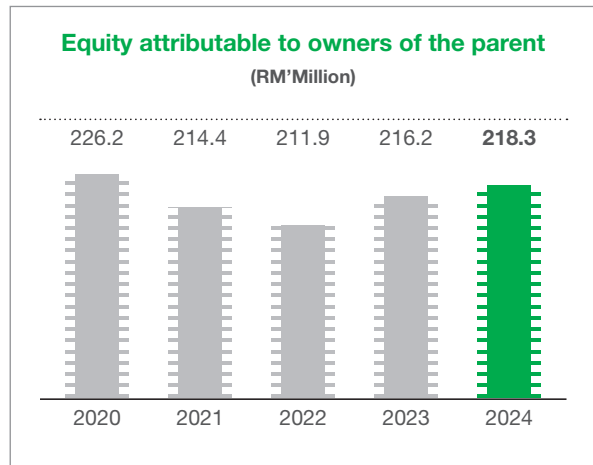
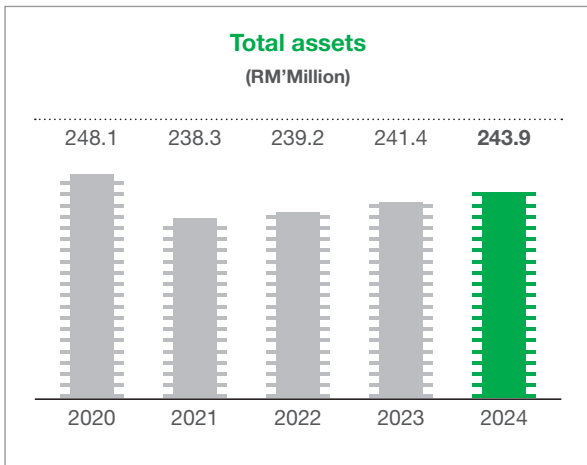
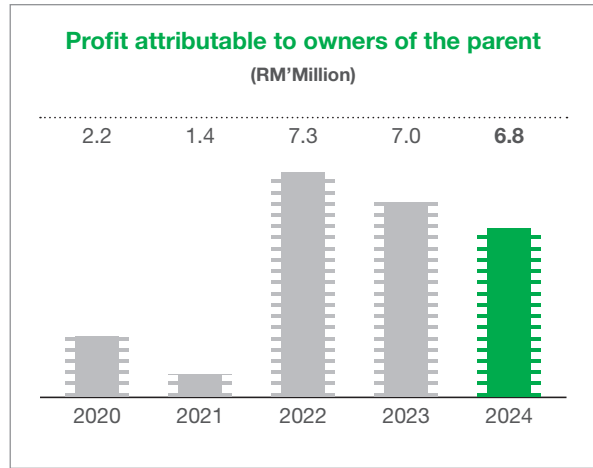
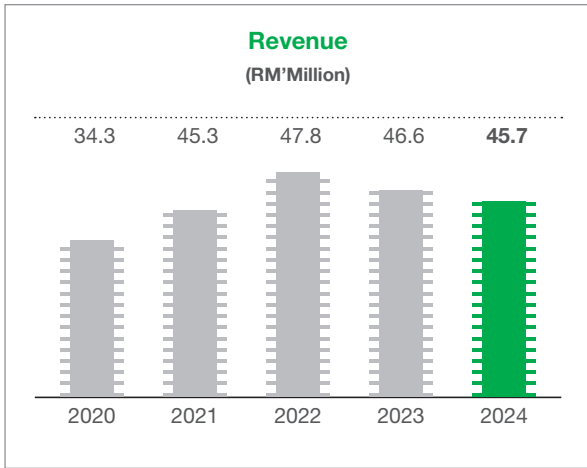
### 6. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the year.

These statements are made in accordance with a resolution of the Board of Directors dated 10 October 2024.

## 5 Years Group Financial Highlights

In RM'000	2020	2021	2022	2023	2024
Revenue	34,276	45,300	47,751	46,553	<b>45,737</b>
Profit before tax	4,504	3,383	12,235	8,936	<b>10,147</b>
Profit attributable to owners of the parent	2,211	1,417	7,298	7,017	<b>6,821</b>
Total assets	248,130	238,286	239,191	241,426	<b>243,901</b>
Equity attributable to owners of the parent	226,227	214,402	211,921	216,193	<b>218,298</b>
<b>In RM</b>					
Net assets per share attributable to owners of the parent	2.70	2.56	2.53	2.58	<b>2.60</b>
<b>In Sen</b>					
Earnings per share	2.64	1.69	8.70	8.36	<b>8.13</b>



## **FACB INDUSTRIES INCORPORATED BERHAD** ANNUAL REPORT 2024

### **Reports and Financial Statements**

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# Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The subsidiaries are principally engaged in investment holding, providing management and secretarial services, retail marketing of bedding products, manufacture and wholesales dealership and retailing of mattresses, furniture and related accessories, and details of the subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

## RESULTS

	Group RM	Company RM
Profit for the financial year	8,117,848	3,755,450
Attributable to:		
Owners of the parent	6,820,871	3,755,450
Non-controlling interests	1,296,977	–
	<b>8,117,848</b>	<b>3,755,450</b>

## DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM
In respect of the financial year ended 30 June 2023:	
Final single-tier dividend of 1.7 sen per ordinary share, paid on 17 January 2024	<b>1,426,007</b>

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary share amounting to RM1,677,656 in respect of the current financial year will be proposed for shareholders' approval based on the number of outstanding ordinary shares in issue as at 30 June 2024.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2025.

## Directors' Report

### **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

### **ISSUE OF SHARES AND DEBENTURES**

The Company did not issue any new shares or debentures during the financial year.

### **OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued shares of the Company during the financial year.

### **TREASURY SHARES**

During the financial year, the Company did not repurchase any of its issued and fully paid ordinary shares.

As at 30 June 2024, the Company held a total of 1,279,700 treasury shares out of its total issued and paid up share capital of 85,162,500 ordinary shares. Such treasury shares are recorded at a carrying amount of RM1,225,544.

### **DIRECTORS**

The Directors who have held office during the financial year and up to the date of this report are as follows:

Puan Sri Lee Chou Sarn \*  
Chen Yiy Fon  
Leong Choong Wah  
Michael Lai Kai Jin  
Tee Meng Kwang

\* *Director of the Company and its subsidiaries*

## Directors’ Report

### DIRECTORS (continued)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries of the Company who have held office since the date of the last report, excluding those who are listed above are:

Bong Shee Cheng  
 Goh Shaw Ching  
 Mej Jen (B) Dato’ Jeyabalan A/L C. Sinnadurai  
 Lee Boo Tian  
 Zhao Bin  
 Tan Lian Cheng  
 Dayana Rogayah binti Omar  
 (Alternate Director to Mej Jen (B) Dato’ Jeyabalan A/L C. Sinnadurai)  
 Lee Kok Loon (Appointed on 11 July 2023)

### DIRECTORS’ INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2024 as recorded in the Register of Directors’ Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			
	Balance as at 1.7.2023	Bought	Sold	
<b>Shares in the Company</b>				
<u>Direct interest:</u>				
Puan Sri Lee Chou Sarn	505,493	–	–	<b>505,493</b>
<u>Deemed interest:</u>				
Puan Sri Lee Chou Sarn *	25,299,389	–	–	<b>25,299,389</b>

\* *Deemed interest by virtue of Section 59 (11)(c) of the Companies Act 2016 held through spouse.*

Notes:

- (i) Puan Sri Lee Chou Sarn is the spouse of late Tan Sri Dr. Chen Lip Keong; and
- (ii) Chen Yiy Fon is the son of late Tan Sri Dr. Chen Lip Keong and Puan Sri Lee Chou Sarn.

By virtue of her interest in shares of the Company, Puan Sri Lee Chou Sarn is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## Directors' Report

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from the subsidiaries of the Company.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 are as follows:

	Group RM	Company RM
<b>Directors of the Company</b>		
<b>Non-executive Directors</b>		
Directors' fees	204,600	204,600
<b>Executive Directors</b>		
Salaries, bonus and others	470,321	-
Defined contribution plan	51,276	-
Benefits-in-kind	17,100	-
	<b>538,697</b>	<b>-</b>
<b>Directors of the subsidiaries</b>		
Salaries, bonus, allowances and others	668,388	325,805
Defined contribution plan	51,732	38,844
Benefits-in-kind	8,800	8,800
	<b>728,920</b>	<b>373,449</b>
	<b>1,472,217</b>	<b>578,049</b>

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of insurance premium paid for the Directors and the officers of the Group and of the Company is RM12,335.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## Directors' Report

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been write-down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.



## Directors' Report

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

#### AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 are as follows:

	Group RM	Company RM
BDO PLT Malaysia		
- statutory audit		
- current year	179,250	58,400
- non-statutory audit	4,800	4,800
Other auditors		
- statutory audit		
- current year	5,764	-
	189,814	63,200

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Puan Sri Lee Chou Sarn**  
Director

**Leong Choong Wah**  
Director

Kuala Lumpur  
10 October 2024

## Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 62 to 126 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Puan Sri Lee Chou Sarn**  
Director

**Leong Choong Wah**  
Director

Kuala Lumpur  
10 October 2024

## Statutory Declaration

I, Bong Shee Cheng (CA 5879), being the Officer primarily responsible for the financial management of FACB Industries Incorporated Berhad, do solemnly and sincerely declare that the financial statements set out on pages 62 to 126 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly )  
declared by the abovenamed at )  
Kuala Lumpur, this )  
10 October 2024 )

**Bong Shee Cheng**

Before me:

**Mardhiyyah Abdul Wahab (W729)**  
Commissioner for Oaths

# Independent Auditors' Report

To the members of FACB Industries Incorporated Berhad  
(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of FACB Industries Incorporated Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 62 to 126.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group and Company

#### Valuation of unquoted share investments

As at 30 June 2024, the carrying amounts of the unquoted shares in Malaysia amounted to RM10,175,437 as disclosed in Note 11 to the financial statements.

Fair values of the unquoted shares in Malaysia are estimated based on income approach which require management to exercise significant judgements and estimates about the future results and key assumptions applied in determining the estimated fair values.

## Independent

### Auditors' Report

To the members of FACB Industries Incorporated Berhad  
(Incorporated in Malaysia)

#### **Key Audit Matters (continued)**

##### **Group and Company (continued)**

##### **Valuation of unquoted share investments (continued)**

##### ***Audit response***

Our audit procedures included the following:

- (i) Obtained an understanding and assessed the reasonableness of the valuation method adopted by management in estimating the fair value of the unquoted shares in Malaysia;
- (ii) Assessed the reasonableness of the management's assumptions on the basis of determining the projected cash flows by assessing evidence available to support these assumptions; and
- (iii) Performed sensitivity analysis to stress test the key assumptions in the projected cash flows.

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Independent

### Auditors' Report

To the members of FACB Industries Incorporated Berhad  
(Incorporated in Malaysia)

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## Independent

### Auditors' Report

To the members of FACB Industries Incorporated Berhad  
(Incorporated in Malaysia)

#### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

#### **Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Kuala Lumpur  
10 October 2024

**Lum Chiew Mun**  
03039/04/2025 J  
Chartered Accountant

# Statements of Financial Position

As at 30 June 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	2,903,894	3,043,755	22,854	61,514
Right-of-use assets	7	1,549,044	1,291,622	94,058	327,186
Intangible assets	8	5,422	36,256	–	–
Investments in subsidiaries	9	–	–	15,464,957	15,464,957
Investments in associates	10	23,615,305	22,088,562	–	–
Other investments	11	39,991,497	43,346,187	39,991,497	43,346,187
Other receivables	12	15,952	–	–	38,330
Deferred tax assets	21	1,702,504	1,650,785	–	–
		<b>69,783,618</b>	71,457,167	<b>55,573,366</b>	59,238,174
<b>Current assets</b>					
Inventories	13	6,230,977	6,186,807	–	–
Trade receivables	14	3,834,746	4,596,575	–	–
Other receivables	12	2,698,898	2,791,458	1,563,854	1,552,410
Amounts owing by subsidiaries	15	–	–	313,205	228,505
Amounts owing by associates	16	–	–	–	–
Current tax assets		405,325	398,754	–	–
Deposits with licensed banks	17	151,440,828	144,210,242	136,536,027	134,468,995
Cash and bank balances	17	9,506,738	11,785,402	255,619	170,293
		<b>174,117,512</b>	169,969,238	<b>138,668,705</b>	136,420,203
<b>TOTAL ASSETS</b>		<b>243,901,130</b>	241,426,405	<b>194,242,071</b>	195,658,377

Statements of  
Financial Position  
As at 30 June 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	18	<b>114,151,835</b>	114,151,835	<b>114,151,835</b>	114,151,835
Treasury shares	19	<b>(1,225,544)</b>	(1,225,544)	<b>(1,225,544)</b>	(1,225,544)
Other reserves	20	<b>(22,237,186)</b>	(18,952,529)	<b>(27,507,599)</b>	(24,115,786)
Retained earnings		<b>127,608,503</b>	122,219,451	<b>108,379,821</b>	106,050,378
		<b>218,297,608</b>	216,193,213	<b>193,798,513</b>	194,860,883
Non-controlling interests	9(e)	<b>15,764,977</b>	14,550,151	–	–
<b>TOTAL EQUITY</b>		<b>234,062,585</b>	230,743,364	<b>193,798,513</b>	194,860,883
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	7	<b>474,717</b>	228,797	–	120,985
Deferred tax liabilities	21	<b>421,858</b>	289,920	–	–
		<b>896,575</b>	518,717	–	120,985
<b>Current liabilities</b>					
Trade payables	22	<b>2,265,158</b>	1,970,934	–	–
Other payables and accruals	23	<b>2,980,433</b>	4,214,742	<b>171,360</b>	166,493
Contract liability	24	<b>2,893,011</b>	3,182,856	–	–
Lease liabilities	7	<b>652,674</b>	608,326	<b>121,504</b>	329,204
Current tax liabilities		<b>150,694</b>	187,466	<b>150,694</b>	180,812
		<b>8,941,970</b>	10,164,324	<b>443,558</b>	676,509
<b>TOTAL LIABILITIES</b>		<b>9,838,545</b>	10,683,041	<b>443,558</b>	797,494
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>243,901,130</b>	241,426,405	<b>194,242,071</b>	195,658,377

The accompanying notes form an integral part of the financial statements.



## Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	25	<b>45,737,288</b>	46,552,749	<b>840,000</b>	1,650,000
Cost of sales	26	<b>(26,834,120)</b>	(27,665,810)	–	–
Gross profit		<b>18,903,168</b>	18,886,939	<b>840,000</b>	1,650,000
Other income		<b>6,952,556</b>	5,610,298	<b>6,262,265</b>	5,268,226
Selling and distribution costs		<b>(10,628,565)</b>	(10,204,606)	–	–
Administrative expenses		<b>(7,311,390)</b>	(7,438,897)	<b>(2,227,849)</b>	(2,309,597)
Net (loss)/gain on impairment of financial instruments	27	<b>(150,586)</b>	49,345	<b>(54,255)</b>	(2,185)
Other operating expenses		<b>(734)</b>	(133,298)	<b>(173)</b>	–
Profit from operations		<b>7,764,449</b>	6,769,781	<b>4,819,988</b>	4,606,444
Share of results of associates, net of tax		<b>2,482,408</b>	2,245,205	–	–
Finance costs	7	<b>(99,562)</b>	(79,201)	<b>(21,491)</b>	(43,427)
Profit before tax	28	<b>10,147,295</b>	8,935,785	<b>4,798,497</b>	4,563,017
Tax expense	30	<b>(2,029,447)</b>	(656,795)	<b>(1,043,047)</b>	(916,244)
Profit for the financial year		<b>8,117,848</b>	8,278,990	<b>3,755,450</b>	3,646,773
<b>Other comprehensive loss, net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		<b>181,862</b>	(1,020,194)	–	–
Fair value adjustment of: - financial assets at fair value through other comprehensive income ('FVTOCI')		<b>(3,391,813)</b>	–	<b>(3,391,813)</b>	–
Other comprehensive loss, net of tax		<b>(3,209,951)</b>	(1,020,194)	<b>(3,391,813)</b>	–
Total comprehensive income		<b>4,907,897</b>	7,258,796	<b>363,637</b>	3,646,773

Statements of Profit or Loss  
and Other Comprehensive Income  
For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Profit attributable to:</b>					
Owners of the parent		<b>6,820,871</b>	7,016,707	<b>3,755,450</b>	3,646,773
Non-controlling interests	9(e)	<b>1,296,977</b>	1,262,283	–	–
		<b>8,117,848</b>	8,278,990	<b>3,755,450</b>	3,646,773
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		<b>3,530,402</b>	6,453,478	<b>363,637</b>	3,646,773
Non-controlling interests		<b>1,377,495</b>	805,318	–	–
		<b>4,907,897</b>	7,258,796	<b>363,637</b>	3,646,773
<b>Earnings per ordinary share attributable to equity holders of the Company (sen):</b>					
Basic and diluted	31	<b>8.13</b>	8.36		

The accompanying notes form an integral part of the financial statements.

## Statements of Changes in Equity

For the financial year ended 30 June 2024

Group	Share capital RM	Treasury shares RM	Non-distributable			Distributable			Total equity RM
			Foreign currency translation reserve RM	FVTOCI reserve RM	Other reserves RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	
Balance as at 1 July 2022	114,151,835	(1,225,544)	5,257,683	(24,115,786)	432,180	117,420,319	211,920,687	15,139,395	227,060,082
Profit for the financial year	-	-	-	-	-	7,016,707	7,016,707	1,262,283	8,278,990
Foreign currency translation	-	-	(563,229)	-	-	-	(563,229)	(456,965)	(1,020,194)
Total comprehensive (loss)/income	-	-	(563,229)	-	-	7,016,707	6,453,478	805,318	7,258,796
<b>Transactions with owners</b>									
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,394,562)	(1,394,562)
Dividends paid (Note 32)	-	-	-	-	-	(2,180,952)	(2,180,952)	-	(2,180,952)
Transfer of reserves of a subsidiary	-	-	-	-	36,623	(36,623)	-	-	-
Total transactions with owners	-	-	-	-	36,623	(2,217,575)	(2,180,952)	(1,394,562)	(3,575,514)
Balance as at 30 June 2023	114,151,835	(1,225,544)	4,694,454	(24,115,786)	468,803	122,219,451	216,193,213	14,550,151	230,743,364

Statements of  
Changes in Equity  
For the financial year ended 30 June 2024

Group	Share capital RM	Treasury shares RM	Non-distributable				Distributable			Total equity RM
			Foreign currency translation reserve RM	FVTOCI reserve RM	Other reserves RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM		
Balance as at 1 July 2023	114,151,835	(1,225,544)	4,694,454	(24,115,786)	468,803	122,219,451	216,193,213	14,550,151	230,743,364	
Profit for the financial year	-	-	-	-	-	6,820,871	6,820,871	1,296,977	8,117,848	
Foreign currency translation	-	-	101,344	-	-	-	101,344	80,518	181,862	
Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	(3,391,813)	-	-	(3,391,813)	-	(3,391,813)	
Total comprehensive income/(loss)	-	-	101,344	(3,391,813)	-	6,820,871	3,530,402	1,377,495	4,907,897	
<b>Transactions with owners</b>										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(162,669)	(162,669)	
Dividends paid (Note 32)	-	-	-	-	-	(1,426,007)	(1,426,007)	-	(1,426,007)	
Transfer of reserves of a subsidiary	-	-	-	-	5,812	(5,812)	-	-	-	
Total transactions with owners	-	-	-	-	5,812	(1,431,819)	(1,426,007)	(162,669)	(1,588,676)	
Balance as at 30 June 2024	114,151,835	(1,225,544)	4,795,798	(27,507,599)	474,615	127,608,503	218,297,608	15,764,977	234,062,585	

## Statements of Changes in Equity

For the financial year ended 30 June 2024

Company	Share capital RM	Treasury shares RM	Non-distributable FVTOCI reserve RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 2022	114,151,835	(1,225,544)	(24,115,786)	104,584,557	193,395,062
Profit for the financial year	-	-	-	3,646,773	3,646,773
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	3,646,773	3,646,773
<b>Transaction with owners</b>					
Dividends paid (Note 32)	-	-	-	(2,180,952)	(2,180,952)
Balance as at 30 June 2023	114,151,835	(1,225,544)	(24,115,786)	106,050,378	194,860,883
Balance as at 1 July 2023	<b>114,151,835</b>	<b>(1,225,544)</b>	<b>(24,115,786)</b>	<b>106,050,378</b>	<b>194,860,883</b>
Profit for the financial year	-	-	-	3,755,450	3,755,450
Fair value loss on financial assets at fair value through other comprehensive income	-	-	(3,391,813)	-	(3,391,813)
Total comprehensive (loss)/income	-	-	(3,391,813)	3,755,450	363,637
<b>Transaction with owners</b>					
Dividends paid (Note 32)	-	-	-	(1,426,007)	(1,426,007)
Balance as at 30 June 2024	<b>114,151,835</b>	<b>(1,225,544)</b>	<b>(27,507,599)</b>	<b>108,379,821</b>	<b>193,798,513</b>

The accompanying notes form an integral part of the financial statements.

# Statements of Cash Flows

For the financial year ended 30 June 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		<b>10,147,295</b>	8,935,785	<b>4,798,497</b>	4,563,017
Adjustments for:					
Accretion of discount on financial assets at amortised cost		<b>(37,123)</b>	(35,761)	<b>(37,123)</b>	(35,761)
Amortisation of intangible assets	8	<b>30,834</b>	30,978	–	–
Depreciation of right-of-use assets	7	<b>935,596</b>	885,913	<b>234,826</b>	232,072
Depreciation of property, plant and equipment	6	<b>478,329</b>	463,321	<b>38,750</b>	39,238
Dividend income	25	–	–	<b>(840,000)</b>	(1,650,000)
Gain on disposal of property, plant and equipment	28	<b>(24,272)</b>	(20,446)	–	–
Impairment losses on:					
- amounts owing by subsidiaries	15	–	–	<b>54,255</b>	11,190
- trade receivables	14	<b>196,185</b>	163,146	–	–
Interest expense on lease liabilities	7	<b>99,562</b>	79,201	<b>21,491</b>	43,427
Interest income	28	<b>(6,558,089)</b>	(5,413,615)	<b>(6,225,024)</b>	(5,231,877)
Inventories write-down	13	<b>103,630</b>	55,814	–	–
Property, plant and equipment written off	28	<b>7,264</b>	–	–	–
Provision for warranty claims		–	6,386	–	–
Reversal of impairment losses on:					
- amount owing by a subsidiary	15	–	–	–	(9,005)
- trade receivables	14	<b>(45,599)</b>	(212,491)	–	–
Reversal of inventories write-down	13	<b>(72,859)</b>	(143,107)	–	–
Reversal of provision for warranty claims	28	<b>(170,710)</b>	(23,378)	–	–
Share of results of associates, net of tax		<b>(2,482,408)</b>	(2,245,205)	–	–
Unrealised loss/(gain) on foreign exchange	28	<b>190</b>	(3,208)	<b>(118)</b>	(588)
Operating profit/(loss) before working capital changes		<b>2,607,825</b>	2,523,333	<b>(1,954,446)</b>	(2,038,287)

## Statements of Cash Flows

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Operating profit/(loss) before working capital changes (continued)		<b>2,607,825</b>	2,523,333	<b>(1,954,446)</b>	(2,038,287)
Inventories		<b>(72,308)</b>	(169,885)	-	-
Trade and other receivables		<b>787,522</b>	3,362,739	<b>88,120</b>	91,043
Trade and other payables		<b>(769,890)</b>	(1,353,255)	<b>4,867</b>	13,016
Contract liability		<b>(289,845)</b>	158,389	-	-
Cash generated from/ (used in) operations		<b>2,263,304</b>	4,521,321	<b>(1,861,459)</b>	(1,934,228)
Tax paid		<b>(2,028,407)</b>	(1,804,358)	<b>(1,073,165)</b>	(778,572)
Withholding tax paid		<b>(115,460)</b>	(397,117)	-	-
Tax refunded		<b>151,286</b>	224,802	-	203,244
Net cash from/(used in) operating activities		<b>270,723</b>	2,544,648	<b>(2,934,624)</b>	(2,509,556)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividends received from:					
- associates		<b>1,124,339</b>	3,941,149	-	-
- subsidiary		-	-	<b>840,000</b>	1,650,000
Interest received		<b>6,462,177</b>	4,842,651	<b>6,163,790</b>	4,651,606
Net placement of deposits placed with licensed banks with original maturity of more than three (3) months		<b>(2,536,201)</b>	(8,357,586)	<b>(1,972,647)</b>	(1,338,235)
Proceeds from disposal of property, plant and equipment		<b>24,277</b>	20,451	-	-
Purchase of property, plant and equipment	6	<b>(345,737)</b>	(458,500)	<b>(90)</b>	-
Advances to subsidiaries		-	-	<b>(138,955)</b>	(93,603)
Net cash from/(used in) investing activities		<b>4,728,855</b>	(11,835)	<b>4,892,098</b>	4,869,768

Statements of  
Cash Flows  
For the financial year ended 30 June 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	32	<b>(1,426,007)</b>	(2,180,952)	<b>(1,426,007)</b>	(2,180,952)
Dividends paid to non-controlling interests by subsidiaries		<b>(162,669)</b>	(1,394,562)	–	–
Payments of lease liabilities	7	<b>(1,002,312)</b>	(1,000,874)	<b>(351,874)</b>	(371,072)
Net cash used in financing activities		<b>(2,590,988)</b>	(4,576,388)	<b>(1,777,881)</b>	(2,552,024)
Net increase/(decrease) in cash and cash equivalents		<b>2,408,590</b>	(2,043,575)	<b>179,593</b>	(191,812)
Effects of exchange rate changes on cash and cash equivalents		<b>7,131</b>	(13,842)	<b>118</b>	588
Cash and cash equivalents at beginning of financial year		<b>14,591,017</b>	16,648,434	<b>975,908</b>	1,167,132
Cash and cash equivalents at end of financial year	17	<b>17,006,738</b>	14,591,017	<b>1,155,619</b>	975,908



Statements of  
Cash Flows  
For the financial year ended 30 June 2024

**RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	Lease liabilities (Note 7)	
	Group RM	Company RM
Balance as at 1 July 2023	837,123	450,189
Cash flows	(1,002,312)	(351,874)
Non-cash flows:		
- Interest expense	99,562	21,491
- Remeasurement during the financial year	1,193,018	1,698
	1,292,580	23,189
Balance as at 30 June 2024	1,127,391	121,504
Balance as at 1 July 2022	1,356,235	767,916
Cash flows	(1,000,874)	(371,072)
Non-cash flows:		
- Interest expense	79,201	43,427
- Remeasurement during the financial year	402,561	9,918
	481,762	53,345
Balance as at 30 June 2023	837,123	450,189

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

30 June 2024

## 1. CORPORATE INFORMATION

FACB Industries Incorporated Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Etiqa Twins, Tower 1, Level 13, 11 Jalan Pinang, 50450 Kuala Lumpur.

The consolidated financial statements for the financial year ended 30 June 2024 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 October 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The subsidiaries are principally engaged in investment holding, providing management and secretarial services, retail marketing of bedding products, manufacture and wholesales dealership and retailing of mattresses, furniture and related accessories, and details of the subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

## Notes to the Financial Statements 30 June 2024

### 4. OPERATING SEGMENTS

For management purposes, the business of the Group is presented in respect of the business and geographical segments of the Group.

Segment revenue, expenses, assets and liabilities are those amounts from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under negotiated terms.

#### **Business Segments**

The Group comprises the following two reportable operating segments:

(a) Bedding

Manufacturing and marketing of mattresses, bedding related products and furniture.

(b) Other operations

Investment holding, provision of management and secretarial services and marketing of steam.

#### **Geographical Segments**

The Group operates in two principal geographical areas of the world:

(a) Malaysia

Manufacturing and marketing of mattresses, bedding related products, furniture, investment holding and provision of management and secretarial services.

(b) Asia (excluding Malaysia)

Manufacturing of mattresses, bedding related products, furniture and marketing of steam.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes to the  
Financial Statements  
30 June 2024

4. OPERATING SEGMENTS (continued)

Business Segments

2024	Bedding RM	Other Operations RM	Eliminations RM	Total RM
<b>Revenue</b>				
External revenue	45,737,288	–	–	45,737,288
Inter-segment revenue	–	2,104,440	(2,104,440)	–
	<b>45,737,288</b>	<b>2,104,440</b>	<b>(2,104,440)</b>	<b>45,737,288</b>
<b>Results</b>				
Interest expense on lease liabilities	(78,342)	(27,103)	5,883	(99,562)
Interest income	307,976	6,250,113	–	6,558,089
Amortisation of intangible assets	(30,664)	(170)	–	(30,834)
Depreciation of right-of-use assets	(630,202)	(305,394)	–	(935,596)
Depreciation of property, plant and equipment	(436,718)	(41,611)	–	(478,329)
Other non-cash income	6,361	36,933	–	43,294
Share of results of associates, net of tax	–	2,482,408	–	2,482,408
Segment profit before tax	4,311,375	5,835,920	–	10,147,295
Tax expense	(820,258)	(1,209,189)	–	(2,029,447)
<b>Assets</b>				
Additions to non-current assets	345,647	90	–	345,737
Investments in associates	–	23,615,305	–	23,615,305
Segment assets	39,949,017	203,952,113	–	243,901,130
<b>Segment liabilities</b>				
	9,022,758	815,787	–	9,838,545

Notes to the  
Financial Statements  
30 June 2024

4. OPERATING SEGMENTS (continued)

Business Segments (continued)

2023	Bedding RM	Other Operations RM	Eliminations RM	Total RM
<b>Revenue</b>				
External revenue	46,552,749	–	–	46,552,749
Inter-segment revenue	–	7,421,907	(7,421,907)	–
	46,552,749	7,421,907	(7,421,907)	46,552,749
<b>Results</b>				
Interest expense on lease liabilities	(36,309)	(54,478)	11,586	(79,201)
Interest income	132,670	5,280,945	–	5,413,615
Amortisation of intangible assets	(30,808)	(170)	–	(30,978)
Depreciation of right-of-use assets	(583,273)	(302,640)	–	(885,913)
Depreciation of property, plant and equipment	(421,094)	(42,227)	–	(463,321)
Other non-cash income	174,076	38,969	–	213,045
Share of results of associates, net of tax	–	2,245,205	–	2,245,205
Segment profit before tax	4,464,737	4,471,048	–	8,935,785
Tax expense	894,225	(1,551,020)	–	(656,795)
<b>Assets</b>				
Additions to non-current assets	458,500	–	–	458,500
Investments in associates	–	22,088,562	–	22,088,562
Segment assets	38,072,741	203,353,664	–	241,426,405
<b>Segment liabilities</b>				
	9,574,546	1,108,495	–	10,683,041

Notes to the  
Financial Statements  
30 June 2024

**4. OPERATING SEGMENTS (continued)**

**Business Segments (continued)**

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Other material non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Accretion of discount on financial assets at amortised cost	<b>37,123</b>	35,761
Gain on disposal of property, plant and equipment	<b>24,272</b>	20,446
Impairment losses on trade receivables	<b>(196,185)</b>	(163,146)
Inventories write-down	<b>(103,630)</b>	(55,814)
Property, plant and equipment written off	<b>(7,264)</b>	–
Provision for warranty claims	–	(6,386)
Reversal of impairment losses on trade receivables	<b>45,599</b>	212,491
Reversal of inventories write-down	<b>72,859</b>	143,107
Reversal of overprovision for warranty claims	<b>170,710</b>	23,378
Unrealised (loss)/gain on foreign exchange	<b>(190)</b>	3,208
	<b>43,294</b>	213,045

- (c) Additions to non-current assets consist of:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment	<b>345,737</b>	458,500

**Geographical information**

- (a) Revenue information based on geographical location of its customers:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Malaysia	<b>43,662,638</b>	43,795,736
Asia (excluding Malaysia)	<b>2,074,650</b>	2,757,013
	<b>45,737,288</b>	46,552,749

## Notes to the Financial Statements

30 June 2024

### 4. OPERATING SEGMENTS (continued)

#### Geographical information (continued)

- (b) Non-current assets (property, plant and equipment, right-of-use assets, intangible assets and investments in associates) based on geographical location:

	2024 RM	2023 RM
Malaysia	4,349,479	4,183,628
Asia (excluding Malaysia)	23,724,186	22,276,567
	<b>28,073,665</b>	26,460,195

#### Major customer

Revenue from one major customer amounted to RM14,367,082 (2023: RM10,535,077), arising from sales in the bedding segment.

### 5. CAPITAL AND FINANCIAL RISK MANAGEMENT

- (a) Capital management

The objectives of the Group when managing capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the approach of the Group to capital management during the financial year.

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement for the financial year ended 30 June 2024.

The Group is not subject to any externally imposed capital requirements.

## Notes to the Financial Statements 30 June 2024

### 5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

#### (b) Financial risk management objectives and policies

The financial risk management policy of the Group is to ensure that adequate financial resources are available for the development of the operations of the Group whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the policy of the Group is not to engage in speculative transactions.

The following sections provide details regarding the exposure of the Group to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The exposure of the Group to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the maximum exposure of the Group to credit risk.

The Group determines concentration of credit risks by monitoring its trade receivables profile on an ongoing basis based on geographical location and the business segment.

The credit risk concentration profiles have been disclosed in Notes 12 and 14 to the financial statements.



## Notes to the Financial Statements 30 June 2024

### 5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

#### (b) Financial risk management objectives and policies (continued)

##### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company would encounter difficulty in meeting their financial obligations as they fall due. The exposure of the Group and of the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The funding requirements and liquidity risk of the Group and of the Company are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 22 and 23 to the financial statements respectively.

##### (iii) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are mainly Singapore Dollar, United States Dollar and Chinese Renminbi.

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group would apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The foreign currency risk exposure profiles and sensitivity analysis for foreign currency risk have been disclosed in Notes 12, 14, 17, 22 and 23 to the financial statements.

##### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining prudent short term deposits.

The interest rate risk profile and sensitivity analysis of interest rate risk have been disclosed in Notes 7, 11, 12 and 17 to the financial statements.

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**6. PROPERTY, PLANT AND EQUIPMENT**

Group 2024	Balance as at 1.7.2023	Additions	Disposals	Written off	Depreciation charge for the financial year	Balance as at 30.6.2024
	RM					RM
<b>Carrying amount</b>						
Buildings	1,343,165	-	-	-	(73,874)	1,269,291
Plant and machinery	582,357	169,336	(4)	(7,264)	(130,999)	613,426
Motor vehicles	863,243	128,629	(1)	-	(214,667)	777,204
Office equipment, furniture and fittings	137,560	936	-	-	(36,015)	102,481
Renovation	117,430	46,836	-	-	(22,774)	141,492
	<b>3,043,755</b>	<b>345,737</b>	<b>(5)</b>	<b>(7,264)</b>	<b>(478,329)</b>	<b>2,903,894</b>

	← At 30.6.2024 →		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings	3,693,675	(2,424,384)	1,269,291
Plant and machinery	5,120,834	(4,507,408)	613,426
Motor vehicles	3,305,497	(2,528,293)	777,204
Office equipment, furniture and fittings	912,498	(810,017)	102,481
Renovation	1,020,412	(878,920)	141,492
	<b>14,052,916</b>	<b>(11,149,022)</b>	<b>2,903,894</b>

Group 2023	Balance as at 1.7.2022	Additions	Disposals	Depreciation charge for the financial year	Balance as at 30.6.2023
	RM				RM
<b>Carrying amount</b>					
Buildings	1,417,039	-	-	(73,874)	1,343,165
Plant and machinery	650,119	64,500	(3)	(132,259)	582,357
Motor vehicles	667,434	394,000	(2)	(198,189)	863,243
Office equipment, furniture and fittings	173,807	-	-	(36,247)	137,560
Renovation	140,182	-	-	(22,752)	117,430
	<b>3,048,581</b>	<b>458,500</b>	<b>(5)</b>	<b>(463,321)</b>	<b>3,043,755</b>

Notes to the  
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6. PROPERTY, PLANT AND EQUIPMENT (continued)

	← At 30.6.2023 →		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings	3,693,675	(2,350,510)	1,343,165
Plant and machinery	5,676,331	(5,093,974)	582,357
Motor vehicles	3,232,868	(2,369,625)	863,243
Office equipment, furniture and fittings	911,562	(774,002)	137,560
Renovation	973,576	(856,146)	117,430
	14,488,012	(11,444,257)	3,043,755

Company 2024	Balance as at 1.7.2023 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>				
Motor vehicles	36,023	–	(30,876)	5,147
Office equipment, furniture and fittings	23,009	90	(7,377)	15,722
Renovation	2,482	–	(497)	1,985
	61,514	90	(38,750)	22,854

	← At 30.6.2024 →		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Motor vehicles	154,381	(149,234)	5,147
Office equipment, furniture and fittings	192,331	(176,609)	15,722
Renovation	195,150	(193,165)	1,985
	541,862	(519,008)	22,854

Notes to the  
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6. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023	Balance as at 1.7.2022 RM	Depreciation charge for the financial year RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>			
Motor vehicles	66,899	(30,876)	36,023
Office equipment, furniture and fittings	30,874	(7,865)	23,009
Renovation	2,979	(497)	2,482
	100,752	(39,238)	61,514
		← At 30.6.2023 →	
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Motor vehicles	154,381	(118,358)	36,023
Office equipment, furniture and fittings	192,241	(169,232)	23,009
Renovation	195,150	(192,668)	2,482
	541,772	(480,258)	61,514

- (a) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.
- (b) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the business of the Group. The principal annual depreciation rates used are as follows:

Buildings	2%
Plant and machinery	10% - 20%
Motor vehicles	10% - 20%
Office equipment, furniture and fittings	10% - 20%
Renovation	10%

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## 7. LEASES

### The Group as lessee

#### Right-of-use assets

	Balance as at 1.7.2023 RM	Remeasurement RM	Depreciation RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>				
Leasehold land	486,770	–	(25,770)	461,000
Buildings and car parks	804,852	1,193,018	(909,826)	1,088,044
	<b>1,291,622</b>	<b>1,193,018</b>	<b>(935,596)</b>	<b>1,549,044</b>

	Balance as at 1.7.2022 RM	Remeasurement RM	Depreciation RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>				
Leasehold land	512,540	–	(25,770)	486,770
Buildings and car parks	1,262,434	402,561	(860,143)	804,852
	<b>1,774,974</b>	<b>402,561</b>	<b>(885,913)</b>	<b>1,291,622</b>

#### Lease liabilities

	Balance as at 1.7.2023 RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>					
Buildings and car parks	837,123	1,193,018	(1,002,312)	99,562	1,127,391

	Balance as at 1.7.2022 RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>					
Buildings and car parks	1,356,235	402,561	(1,000,874)	79,201	837,123

Notes to the  
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**7. LEASES (continued)**

**The Group as lessee (continued)**

**Lease liabilities (continued)**

Represented by:	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Current liabilities	<b>652,674</b>	608,326
Non-current liabilities	<b>474,717</b>	228,797
	<hr/>	<hr/>
Lease liabilities owing to non-financial institutions	<b>1,127,391</b>	837,123
	<hr/>	<hr/>

**The Company as lessee**

**Right-of-use assets**

	Balance as at 1.7.2023 RM	Remeasurement RM	Depreciation RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>				
Buildings and car parks	327,186	1,698	(234,826)	94,058
	<hr/>			<hr/>

	Balance as at 1.7.2022 RM	Remeasurement RM	Depreciation RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>				
Buildings and car parks	549,340	9,918	(232,072)	327,186
	<hr/>			<hr/>

**Lease liabilities**

	Balance as at 1.7.2023 RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>					
Buildings and car parks	450,189	1,698	(351,874)	21,491	121,504
	<hr/>				<hr/>

## Notes to the Financial Statements 30 June 2024

### 7. LEASES (continued)

#### The Company as lessee (continued)

#### Lease liabilities (continued)

	Balance as at 1.7.2022 RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>					
Buildings and car parks	767,916	9,918	(371,072)	43,427	450,189

Represented by:	2024 RM	2023 RM
Current liabilities	121,504	329,204
Non-current liabilities	–	120,985
Lease liabilities owing to non-financial institutions	<b>121,504</b>	450,189

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	60 years
Buildings and car parks	2 - 6 years

- (b) The Group has certain low value leases of office equipment of RM20,000 and below. The Group apply the “lease of low-value assets” exemptions for these leases.

Notes to the  
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**7. LEASES (continued)**

(c) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation of right-of-use assets (included in administrative expenses)	744,117	696,077	234,826	232,072
Depreciation of right-of-use assets (included in cost of sales)	25,770	25,770	–	–
Depreciation of right-of-use assets (included in selling and distribution costs)	165,709	164,066	–	–
Interest expense on lease liabilities (included in finance costs)	99,562	79,201	21,491	43,427
Expense relating to leases of low-value assets (included in administrative expenses)	16,080	15,980	–	–
	<b>1,051,238</b>	<b>981,094</b>	<b>256,317</b>	<b>275,499</b>

(d) The Group and the Company entered into several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

As at the end of each reporting period, there are no undiscounted potential future rental payments that are not included in the lease term.



## Notes to the Financial Statements 30 June 2024

### 7. LEASES (continued)

(e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Included in net cash used in operating activities:</b>				
Payment relating to leases of low-value assets	16,080	15,980	–	–
<b>Included in net cash used in financing activities:</b>				
Payments of lease liabilities	1,002,312	1,000,874	351,874	371,072
	<b>1,018,392</b>	<b>1,016,854</b>	<b>351,874</b>	<b>371,072</b>

(f) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Incremental borrowing rate per annum %	On demand or within one year RM	One to five years RM	Total RM
<b>30 June 2024</b>				
Lease liabilities	7% - 7.5%	709,886	496,000	1,205,886
<b>30 June 2023</b>				
Lease liabilities	7% - 7.5%	646,051	233,360	879,411
<b>Company</b>				
<b>30 June 2024</b>				
Lease liabilities	7%	123,306	–	123,306
<b>30 June 2023</b>				
Lease liabilities	7% - 7.5%	350,611	122,780	473,391

Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

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**8. INTANGIBLE ASSETS**

Group 2024	Balance as at 1.7.2023 RM	Amortisation charge for the financial year RM	Balance as at 30.6.2024 RM
<b>Carrying amount</b>			
Computer softwares	36,256	(30,834)	5,422
	← At 30.6.2024 →		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Computer softwares	734,832	(729,410)	5,422
	← At 30.6.2023 →		
Group 2023	Balance as at 1.7.2022 RM	Amortisation charge for the financial year RM	Balance as at 30.6.2023 RM
<b>Carrying amount</b>			
Computer softwares	67,234	(30,978)	36,256
	← At 30.6.2023 →		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Computer softwares	734,832	(698,576)	36,256

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Computer softwares that do not form an integral part of the related hardware are treated as intangible assets with finite useful lives and are amortised over their estimated useful lives of five (5) years using the straight line method.

## Notes to the Financial Statements

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### 9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	<b>24,033,698</b>	24,033,698
Accumulated impairment losses	<b>(8,568,741)</b>	(8,568,741)
	<b>15,464,957</b>	15,464,957

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.
- (c) There is no movement in impairment losses of investments in subsidiaries.
- (d) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective direct interest		Principal activities
		2024 %	2023 %	
<b>Held by the Company</b>				
Dreamland Spring Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding
Kanzen Management Sdn. Bhd.	Malaysia	<b>100</b>	100	Providing management and secretarial services
Kanzen Ventures Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding
Kanzen Shindo Sdn. Bhd.	Malaysia	<b>70</b>	70	Dormant
Restonic (M) Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Investment holding
KT Fittings Sdn. Bhd.	Malaysia	<b>100</b>	100	Dormant

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**9. INVESTMENTS IN SUBSIDIARIES (continued)**

(d) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective indirect interest		Principal activities
		2024 %	2023 %	
<b>Held through Dreamland Spring Sdn. Bhd.</b>				
Dreamland Marketing (Shanghai) Co. Ltd. <sup>(1)</sup>	The People's Republic of China	<b>65</b>	65	Retail marketing of bedding products
<b>Held through KT Fittings Sdn. Bhd.</b>				
Kanzen Marketing Sdn. Bhd.	Malaysia	<b>100</b>	100	Dormant
<b>Held through Kanzen Ventures Sdn. Bhd.</b>				
Kanzen Energy Ventures Sdn. Bhd.	Malaysia	<b>55</b>	55	Investment holding
<b>Held through Restonic (M) Sdn. Bhd.</b>				
Dreamland Corporation (Malaysia) Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Wholesales dealership and retailing of mattresses, furniture and related accessories
Dreamland Spring Manufacturing Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Manufacture and wholesale dealership of mattresses
Eurocoir Products Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Manufacture and sale of polyester pillows and bolsters

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**9. INVESTMENTS IN SUBSIDIARIES (continued)**

(d) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective indirect interest		Principal activities
		2024 %	2023 %	
<b>Held through Restonic (M) Sdn. Bhd. (continued)</b>				
Dream Products Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Manufacture and sale of synthetic foam, bedding co-ordinates, sponge pillows and bolsters
Dream Crafts Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Marketing and sales promotion of furniture, mattresses and related accessories
Sleepmaker Sdn. Bhd.	Malaysia	<b>85.72</b>	85.72	Wholesales of mattresses and related accessories

<sup>(1)</sup> Audited by firms of auditors other than BDO PLT Malaysia or BDO member firms.

(e) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

2024	Restonic (M) Sdn. Bhd. (Group) RM	Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM	Other individual immaterial subsidiaries RM	Total RM
NCI percentage of ownership and voting interest	14.28%	45%		
Carrying amount of NCI	4,278,475	11,133,027	353,475	15,764,977
Profit allocated to NCI	496,888	806,982	(6,893)	1,296,977

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**9. INVESTMENTS IN SUBSIDIARIES (continued)**

- (e) The subsidiaries of the Group that have non-controlling interests (“NCI”) are as follows (continued):

<b>2023</b>	<b>Restonic (M) Sdn. Bhd. (Group) RM</b>	<b>Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM</b>	<b>Other individual immaterial subsidiaries RM</b>	<b>Total RM</b>
NCI percentage of ownership and voting interest	14.28%	45%		
Carrying amount of NCI	3,921,587	10,250,142	378,422	14,550,151
Profit allocated to NCI	747,816	481,440	33,027	1,262,283

- (f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

<b>2024</b>	<b>Restonic (M) Sdn. Bhd. (Group) RM</b>	<b>Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM</b>
<b>Assets and liabilities</b>		
Non-current assets	5,900,542	23,627,378
Current assets	32,933,951	1,384,221
Non-current liabilities	(633,251)	–
Current liabilities	(8,250,668)	(29,164)
Net assets	29,950,574	24,982,435
<b>Results</b>		
Revenue	44,090,184	–
Profit for the financial year	3,479,341	1,855,218
Other comprehensive loss	–	168,674
Total comprehensive income	3,479,341	2,023,892
Cash flows from/(used in) operating activities	3,947,412	(642,342)
Cash flows (used in)/from investing activities	(65,373)	634,294
Cash flows used in financing activities	(1,519,196)	(21,404)
Net increase/(decrease) in cash and cash equivalents	2,362,843	(29,452)
Dividends paid to non-controlling interests	140,000	–

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**9. INVESTMENTS IN SUBSIDIARIES (continued)**

- (f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (continued):

<b>2023</b>	<b>Restonic (M) Sdn. Bhd. (Group) RM</b>	<b>Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM</b>
<b>Assets and liabilities</b>		
Non-current assets	5,337,585	22,120,490
Current assets	31,491,938	886,619
Non-current liabilities	(115,365)	(9,246)
Current liabilities	(9,262,925)	(39,320)
Net assets	27,451,233	22,958,543
<b>Results</b>		
Revenue	44,550,217	–
Profit for the financial year	5,215,209	1,267,083
Other comprehensive loss	–	(998,979)
Total comprehensive income	5,215,209	268,104
Cash flows from/(used in) operating activities	6,196,789	(1,000,640)
Cash flows (used in)/from investing activities	(7,306,627)	3,980,173
Cash flows used in financing activities	(520,198)	(3,022,579)
Net decrease in cash and cash equivalents	(1,630,036)	(43,046)
Dividends paid to non-controlling interests	–	1,350,000

- (g) Reconciliation of profit or loss of the subsidiaries that have material NCI to the profit allocated to NCI are as follows:

<b>2024</b>	<b>Restonic (M) Sdn. Bhd. (Group) RM</b>	<b>Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM</b>
Profit for the financial year	3,479,341	1,855,218
Others	271	(61,924)
Profit, net of Group's adjustments	3,479,612	1,793,294
NCI percentage of ownership and voting interest	14.28%	45%
Profit allocated to NCI	496,888	806,982

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**9. INVESTMENTS IN SUBSIDIARIES (continued)**

- (g) Reconciliation of profit or loss of the subsidiaries that have material NCI to the profit allocated to NCI are as follows (continued):

<b>2023</b>	<b>Restonic (M) Sdn. Bhd. (Group) RM</b>	<b>Kanzen Energy Ventures Sdn. Bhd. (Economic Entity) RM</b>
Profit for the financial year	5,215,209	1,267,083
Others	21,596	(197,216)
Profit, net of Group's adjustments	5,236,805	1,069,867
NCI percentage of ownership and voting interest	14.28%	45%
Profit allocated to NCI	747,816	481,440

**10. INVESTMENTS IN ASSOCIATES**

	<b>2024 RM</b>	<b>Group 2023 RM</b>
<b>Outside Malaysia</b>		
Unquoted shares, at cost	<b>11,264,591</b>	11,264,591
Share of post-acquisition reserve, net of Group's dividends	<b>4,274,967</b>	2,916,898
Exchange differences	<b>8,227,346</b>	8,058,672
Accumulated impairment loss	<b>(151,599)</b>	(151,599)
	<b>23,615,305</b>	22,088,562

- (a) Investments in associates are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.



## Notes to the Financial Statements 30 June 2024

### 10. INVESTMENTS IN ASSOCIATES (continued)

(b) The details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective indirect interest		Principal activities
		2024 %	2023 %	
<b>Held through Dreamland Spring Sdn. Bhd.</b>				
Dreamland Shanghai Pte. Ltd. <sup>*(1)</sup>	The People's Republic of China	<b>40</b>	40	Manufacturing and marketing of spring mattresses
<b>Held through Dreamland Shanghai Pte. Ltd.</b>				
Shanghai Mengge Household Products Pte. Ltd. ("SM") <sup>(2)</sup>	The People's Republic of China	<b>40</b>	40	Dormant
<b>Held through Kanzen Energy Ventures Sdn. Bhd. ("KEV")</b>				
Jiangyin Binjiang Power Supply Co. Ltd. ("JBP") *	The People's Republic of China	<b>16.5</b>	16.5	Marketing of steam
Jiangyin Chengdong Power Supply Co. Ltd. ("JCP")*	The People's Republic of China	<b>16.5</b>	16.5	Marketing of steam

\* Audited by firms of auditors other than BDO PLT Malaysia or BDO member firms.

<sup>(1)</sup> The financial statements of the above associate is not coterminous with those of the Group, which have a financial year end of 31 December 2023. Management accounts of the associate for the financial year ended 30 June 2024 is used by the Group for the purpose of applying the equity method of accounting.

<sup>(2)</sup> Management accounts of the associate for the financial year ended 30 June 2024 is used by the Group for the purpose of applying the equity method of accounting. The financial statements of the associate is not required to be audited in its country of incorporation as it was dormant since the previous financial years.

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**10. INVESTMENTS IN ASSOCIATES (continued)**

- (c) The most recent available financial statements of associates are used by the Group in applying the equity method. The share of results of associates of the Group are based on the audited financial statements of JBP and JCP, net of Group's adjustments.
- (d) The summarised financial information in respect of each of the material associates, i.e. JBP and JCP of the Group is set out below:

<b>2024</b>	<b>JBP RM</b>	<b>JCP RM</b>
<b>Assets and liabilities</b>		
Non-current assets	40,055,577	24,886,012
Current assets	38,504,691	37,552,698
Current liabilities	(30,373,704)	(22,944,837)
Net assets	<u>48,186,564</u>	<u>39,493,873</u>
<b>Results</b>		
Revenue	68,680,342	51,499,968
Profit for the financial year	<u>3,656,159</u>	<u>3,064,947</u>
<b>2023</b>		
<b>Assets and liabilities</b>		
Non-current assets	39,126,264	22,573,058
Current assets	39,728,955	36,393,727
Current liabilities	(32,202,966)	(21,474,152)
Net assets	<u>46,652,253</u>	<u>37,492,633</u>
<b>Results</b>		
Revenue	101,048,366	58,736,839
Profit for the financial year	<u>2,156,214</u>	<u>1,466,875</u>

Notes to the  
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**10. INVESTMENTS IN ASSOCIATES (continued)**

- (e) Reconciliation of net assets of the material associates to the carrying amounts of the investments in associates is as follows:

<b>2024</b>	<b>JBP RM</b>	<b>JCP RM</b>
Net assets	48,186,564	39,493,873
Consolidation adjustments at Group level *	(7,289,676)	(1,673,077)
Total net assets	<u>40,896,888</u>	<u>37,820,796</u>
Share of net assets	6,747,986	6,240,431
Add: Share by non-controlling interests of KEV	5,521,080	5,105,808
Carrying amount	<u>12,269,066</u>	<u>11,346,239</u>
Profit for the financial year	3,656,159	3,064,947
Consolidation adjustments at Group level **	1,303,813	249,780
Total profit for the financial year	<u>4,959,972</u>	<u>3,314,727</u>
<b>Share of results for the financial year</b>		
Share of profit or loss	818,395	546,929
Add: Share by non-controlling interests of KEV	669,596	447,488
Foreign currency translation at Group level	1,487,991	994,417
	80,421	88,253
Share of total results	<u>1,568,412</u>	<u>1,082,670</u>
Dividend income from associates	<u>716,975</u>	<u>407,364</u>

Notes to the  
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**10. INVESTMENTS IN ASSOCIATES (continued)**

- (e) Reconciliation of net assets of the material associates to the carrying amounts of the investments in associates is as follows (continued):

<b>2023</b>	<b>JBP RM</b>	<b>JCP RM</b>
Net assets	46,652,253	37,492,633
Consolidation adjustments at Group level *	(8,593,489)	(1,922,857)
Total net assets	38,058,764	35,569,776
Share of net assets	6,279,696	5,869,013
Add: Share by non-controlling interests of KEV	5,137,933	4,801,920
Carrying amount	11,417,629	10,670,933
Profit for the financial year	2,156,214	1,466,875
Consolidation adjustments at Group level **	2,601,457	1,259,473
Total profit for the financial year	4,757,671	2,726,348
<b>Share of results for the financial year</b>		
Share of profit or loss	785,016	449,847
Add: Share by non-controlling interests of KEV	642,285	368,057
Foreign currency translation at Group level	1,427,301 (659,758)	817,904 (339,221)
Share of total results	767,543	478,683
Dividend income from associates	3,001,978	939,171

\* The consolidation adjustments are mainly contributed by accumulated impairment losses on property, plant and equipment.

\*\* The consolidation adjustments are mainly contributed by reversal of impairment losses on property, plant and equipment.

## Notes to the Financial Statements 30 June 2024

### 11. OTHER INVESTMENTS

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial asset at fair value through other comprehensive income (“FVTOCI”)		
- Unquoted shares in Malaysia	<b>10,175,437</b>	13,567,250
Financial assets at amortised cost		
- 3.882% p.a. Malaysian quoted Government Bonds due on 14 March 2025	<b>9,992,134</b>	9,979,683
- 3.465% p.a. Malaysian quoted Government Bonds due on 15 October 2030	<b>19,823,926</b>	19,799,254
	<b>29,816,060</b>	29,778,937
	<b>39,991,497</b>	43,346,187

- (a) Unquoted shares investment are not held for trading for which the Group and the Company have irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. This is strategic investment for which the Group and the Company consider this classification to be appropriate and relevant.
- (b) Unquoted shares of the Group are categorised as Level 3 in the fair value hierarchy. The fair values of investments in unquoted shares are determined based on the income approach based on projected cash flows.

It requires management to exercise significant judgements and estimates about the future results and key assumptions applied to the projected cash flows of the unquoted shares in determining its estimated fair values.

Notes to the  
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**11. OTHER INVESTMENTS (continued)**

- (c) The fair values of other investments of the Group and the Company are categorised as follows:

<b>Group and Company</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2024</b>				
Financial asset at fair value through other comprehensive income ("FVTOCI")	–	–	10,175,437	10,175,437
Financial assets at amortised cost	29,728,000	–	–	29,728,000
	<b>29,728,000</b>	<b>–</b>	<b>10,175,437</b>	<b>39,903,437</b>
<b>2023</b>				
Financial asset at fair value through other comprehensive income ("FVTOCI")	–	–	13,567,250	13,567,250
Financial assets at amortised cost	29,609,400	–	–	29,609,400
	29,609,400	–	13,567,250	43,176,650

There was no transfer between levels during the financial year ended 30 June 2024.

- (d) The following table shows a reconciliation of level 3 fair values of other investments:

	<b>Group and Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
<b>Financial assets</b>		
Balance as at 1 July 2023/2022	13,567,250	13,567,250
Loss recognised in other comprehensive income	(3,391,813)	–
Balance as at 30 June 2024/2023	<b>10,175,437</b>	13,567,250

## Notes to the Financial Statements 30 June 2024

### 11. OTHER INVESTMENTS (continued)

- (e) The significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, were detailed in the table below:

Financial instrument	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
<b>2024</b>		
<b>Other investments</b> Unquoted shares in Malaysia	Occupancy rate (2024: range of 35% - 85%)	The higher the occupancy rate, the higher the fair value of the unquoted shares would be.
	Pre-tax discount rate (2024: 5%)	The higher the pre-tax discount rate, the lower the fair value of the unquoted shares would be.
<b>2023</b>		
<b>Other investments</b> Unquoted shares in Malaysia	Occupancy rate (2023: range of 35% - 85%)	The higher the occupancy rate, the higher the fair value of the unquoted shares would be.
	Pre-tax discount rate (2023: 5%)	The higher the pre-tax discount rate, the lower the fair value of the unquoted shares would be.

- (f) The Group and the Company neither have the intention nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group and the Company are not subject to significant exposure to price risk. Accordingly, no sensitivity analysis is being presented at the end of the reporting period.
- (g) Malaysian quoted Government Bonds are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value of Malaysian quoted Government Bonds is determined by reference to closing price in an active market at the end of the reporting period.
- (h) Sensitivity analysis for fixed rate bonds at the end of the reporting period is not presented as it is not affected by changes in interest rates.

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## 12. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current</b>				
Lease receivables	–	–	–	38,330
Other deferred expenses	15,952	–	–	–
Total other receivables (non-current)	15,952	–	–	38,330
<b>Current</b>				
Lease receivables	–	–	38,330	82,286
Other receivables	1,785,343	1,645,521	1,393,302	1,337,951
Sundry deposits	508,457	493,158	120,303	120,303
Prepayments	405,098	652,779	11,919	11,870
Total other receivables (current)	2,698,898	2,791,458	1,563,854	1,552,410
Total other receivables (non-current and current)	2,714,850	2,791,458	1,563,854	1,590,740
Less: Prepayments	(405,098)	(652,779)	(11,919)	(11,870)
Total other receivables	2,309,752	2,138,679	1,551,935	1,578,870

- (a) Total other receivables are classified as financial assets measured at amortised cost.
- (b) Impairment for the other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. A significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by the other receivables is adjusted by forward looking information (i.e. Gross Domestic Product) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables.

No expected credit losses is recognised arising from other receivables as it is negligible.



## Notes to the Financial Statements

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### 12. OTHER RECEIVABLES (continued)

- (c) The Company has classified its subleases of buildings and car parks as finance lease because the sublease is for the whole of the remaining term of the head lease. During the financial year, the movement on the finance lease receivables are as follows:

	Company	
	2024 RM	2023 RM
Balance as at 1 July 2023/2022	120,616	202,637
Lease payments received during the financial year	(88,169)	(93,607)
Finance lease interest income	5,883	11,586
Balance as at 30 June 2024/2023	<b>38,330</b>	120,616

- (d) Lease receivables represent lease rental and interest receivables due from subsidiaries in relation to the rental of building and car parks by the Company.

	Company	
	2024 RM	2023 RM
<b>Minimum lease receivables:</b>		
Not later than one (1) year	39,003	88,169
Later than one (1) year and not later than five (5) years	–	39,003
Total minimum lease payments	39,003	127,172
Less: Future interest charges	(673)	(6,556)
Present value of minimum lease payments	<b>38,330</b>	120,616
<b>Present value of lease receivables:</b>		
Not later than one (1) year	38,330	82,286
Later than one (1) year and not later than five (5) years	–	38,330
Present value of minimum lease payments	38,330	120,616
Less: Repayable within one (1) year	(38,330)	(82,286)
Repayable after one (1) year	–	38,330

- (e) The currency profile of other receivables excluding prepayments of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	1,970,946	1,830,670	1,551,935	1,578,870
Chinese Renminbi	334,078	303,281	–	–
Singapore Dollar	4,728	4,728	–	–
	<b>2,309,752</b>	2,138,679	<b>1,551,935</b>	1,578,870

## Notes to the Financial Statements

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### 12. OTHER RECEIVABLES (continued)

- (f) Sensitivity analysis of RM against foreign currencies (currencies which are other than the functional currency of the Group) at the end of the reporting period is not presented as the effect is immaterial to the Group.
- (g) The Group and the Company have no significant concentration of credit risk of other receivables that may arise from exposures to a single debtor or to groups of debtors.
- (h) The estimated market interest rate used for discounting contracted cash flows to determine the fair value of lease receivables are approximately equal to the effective interest rate used for computing the carrying amount of lease receivables. In this respect, the carrying amounts of lease receivables of the Company as at the end of the reporting period approximate their fair value.
- (i) The effective interest rate for lease receivables of the Company is 7% per annum.

### 13. INVENTORIES

	2024 RM	Group 2023 RM
<b>At cost</b>		
Raw materials	1,826,156	2,239,535
Work-in-progress	294,334	280,195
Finished goods	4,101,222	3,661,949
Consumables	9,265	5,128
	<b>6,230,977</b>	<b>6,186,807</b>
<b>Recognised in profit or loss</b>		
Inventories recognised as costs of sales	22,170,540	22,299,655
Inventories write-down	103,630	55,814
Reversal of inventories write-down	(72,859)	(143,107)

- (a) Raw materials, work-in-progress, finished goods and consumables are stated at lower of cost and net realisable value.
- (b) Cost of inventories are determined using the weighted average basis.
- (c) The Group reversed RM72,859 (2023: RM143,107) in respect of inventories write-down in the previous financial years that was subsequently not required as the Group was able to sell those inventories above their carrying amounts.

## Notes to the Financial Statements 30 June 2024

### 14. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
<b>Trade receivables</b>		
Third parties	4,529,385	5,140,628
Less: Impairment losses	(694,639)	(544,053)
Total trade receivables	<b>3,834,746</b>	4,596,575

- (a) Total trade receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms of trade receivables granted by the Group ranged from 7 days to 90 days (2023: 7 days to 90 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses (“ECL”). Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the asset. The trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within net gain or loss on impairment of financial instruments in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group has identified the gross domestic product, unemployment rate and inflation rate as the key macroeconomic factors of the forward looking information.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information in assessing the expected credit losses.

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

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**14. TRADE RECEIVABLES (continued)**

(c) (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM	Group Impairment RM
<b>2024</b>		
Current	1,289,960	89,689
Past due:		
More than 30 days	1,459,314	8,549
More than 60 days	960,275	27,263
More than 90 days	109,700	2,025
More than 120 days	710,136	567,113
	<b>3,239,425</b>	<b>604,950</b>
	<b>4,529,385</b>	<b>694,639</b>
<b>2023</b>		
Current	1,699,053	10,388
Past due:		
More than 30 days	1,512,529	26,019
More than 60 days	905,415	8,440
More than 90 days	185,139	12,565
More than 120 days	838,492	486,641
	<b>3,441,575</b>	<b>533,665</b>
	<b>5,140,628</b>	<b>544,053</b>

(d) Reconciliation of movements in impairment losses of trade receivables are as follows:

Group	Lifetime ECL		Total allowance RM
	Not credit impaired RM	Credit impaired RM	
<b>2024</b>			
Balance as at 1 July 2023	183,377	360,676	544,053
Impairment losses recognised during the financial year	26,066	170,119	196,185
Reversal of impairment losses	-	(45,599)	(45,599)
Balance as at 30 June 2024	<b>209,443</b>	<b>485,196</b>	<b>694,639</b>

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### 14. TRADE RECEIVABLES (continued)

- (d) Reconciliation of movements in impairment losses of trade receivables are as follows (continued):

Group	Lifetime ECL		Total allowance RM
	Not credit impaired RM	Credit impaired RM	
<b>2023</b>			
Balance as at 1 July 2022	270,469	322,929	593,398
Impairment losses recognised during the financial year	–	163,146	163,146
Reversal of impairment losses	(87,092)	(125,399)	(212,491)
Balance as at 30 June 2023	183,377	360,676	544,053

- (e) Trade receivables of the Group are denominated in RM.
- (f) Sensitivity analysis of RM against foreign currency (a currency which is other than the functional currency of the Group) at the end of the reporting period is not presented as the effect is immaterial to the Group.
- (g) The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period is as follows:

	2024		Group		2023	
	RM	%	RM	%	RM	%
<b>By country</b>						
Malaysia	3,730,313	97.3	4,581,876	99.7		
Asia (excluding Malaysia)	104,433	2.7	14,699	0.3		
	<b>3,834,746</b>	<b>100.0</b>	<b>4,596,575</b>	<b>100.0</b>		

- (h) The Group has a significant concentration of credit risk to an individual customer, which constitutes 48% (2023: 37%) of total trade receivables as at the end of the reporting period.

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## 15. AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2024 RM	2023 RM
<b>Current assets</b>		
Amounts owing by subsidiaries	<b>13,313,377</b>	13,174,422
Less: Impairment losses	<b>(13,000,172)</b>	(12,945,917)
	<b>313,205</b>	228,505

- (a) Amounts owing by subsidiaries are classified as financial assets measured at amortised cost.
- (b) The amounts owing by subsidiaries mainly represent advances and payments made on behalf, which are unsecured, interest-free and payable in cash and cash equivalents within next twelve (12) months.
- (c) Impairment for the amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. A significant increase in credit risk is presumed if a subsidiary is more than 90 days past due in making a contractual payment. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.
- (d) Reconciliation of movements in impairment losses of amounts owing by subsidiaries are as follows:

	Company Credit impaired	
	2024 RM	2023 RM
Balance as at 1 July 2023/2022	<b>12,945,917</b>	12,943,732
Impairment losses recognised during the financial year	<b>54,255</b>	11,190
Reversal of impairment losses	-	(9,005)
Balance as at 30 June 2024/2023	<b>13,000,172</b>	12,945,917

- (e) Amounts owing by subsidiaries are denominated in RM.

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## 16. AMOUNTS OWING BY ASSOCIATES

	Group	
	2024 RM	2023 RM
Amounts owing by associates	424,565	424,565
Less: Impairment losses	(424,565)	(424,565)
	-	-

- (a) Amounts owing by associates are classified as financial assets measured at amortised cost.
- (b) The amounts owing by associates mainly represent dividend receivables, advances and payments made on behalf, which are unsecured, interest-free and payable in cash and cash equivalents within next twelve (12) months.
- (c) Impairment for the amounts owing by associates are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. A significant increase in credit risk is presumed if an associate is more than 90 days past due in making a contractual payment. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.
- (d) Reconciliation of movements in impairment losses of amounts owing by associates are as follows:

	Group Credit impaired	
	2024 RM	2023 RM
Balance as at 1 July/ 30 June	424,565	424,565

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## 17. DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits with licensed banks	<b>151,440,828</b>	144,210,242	<b>136,536,027</b>	134,468,995
Cash and bank balances	<b>9,506,738</b>	11,785,402	<b>255,619</b>	170,293
As reported in the statements of financial position	<b>160,947,566</b>	155,995,644	<b>136,791,646</b>	134,639,288
Less:				
- Deposits placed with licensed banks with maturity of more than three (3) months	<b>(143,940,828)</b>	(141,404,627)	<b>(135,636,027)</b>	(133,663,380)
Cash and cash equivalents included in the statements of cash flows	<b>17,006,738</b>	14,591,017	<b>1,155,619</b>	975,908

- (a) Deposits with licensed banks and cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed banks have maturity period ranging from twenty one (21) days to four (4) months (2023: fourteen (14) days to four (4) months).
- (c) The weighted average effective interest rate of deposits with licensed banks of the Group and of the Company are 3.67% (2023: 3.66%) and 3.79% (2023: 3.72%) per annum respectively.
- (d) Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not significantly affected by changes in interest rates.
- (e) The currency profile of deposits with licensed banks and cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>160,494,824</b>	155,408,443	<b>136,778,773</b>	134,626,533
Chinese Renminbi	<b>412,430</b>	547,235	<b>2,034</b>	2,009
United States Dollar	<b>40,312</b>	39,966	<b>10,839</b>	10,746
	<b>160,947,566</b>	155,995,644	<b>136,791,646</b>	134,639,288



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### 17. DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES (continued)

- (f) Sensitivity analysis of RM against foreign currencies (currencies which are other than the functional currency of the Group) at the end of the reporting period are not presented as the effect is immaterial to the Group and the Company.
- (g) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.

### 18. SHARE CAPITAL

	Group and Company			
	Number of shares	2024 RM	Number of shares	2023 RM
<b>Issued and fully paid with no par value</b>				
Balance as at 1 July/30 June	<b>85,162,500</b>	<b>114,151,835</b>	85,162,500	114,151,835

Owners of the parent (except holders of treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

### 19. TREASURY SHARES

	Group and Company			
	Number of shares	2024 RM	Number of shares	2023 RM
Balance as at 1 July/30 June	<b>1,279,700</b>	<b>1,225,544</b>	1,279,700	1,225,544

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

There was no share repurchased during the financial year.

No resale, cancellation or distribution of treasury shares were made during the financial year.

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**20. OTHER RESERVES**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-distributable</b>				
Foreign currency translation reserve	4,795,798	4,694,454	-	-
FVTOCI reserve	(27,507,599)	(24,115,786)	(27,507,599)	(24,115,786)
Other reserves	474,615	468,803	-	-
	<b>(22,237,186)</b>	<b>(18,952,529)</b>	<b>(27,507,599)</b>	<b>(24,115,786)</b>

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

(b) FVTOCI reserve

FVTOCI reserve represents the cumulative net changes in the fair value, net of tax, of financial assets measured at FVTOCI until they are derecognised.

(c) Other reserves

Other reserves relate to discount on acquisition of non-controlling interest and reserve funds arising from regulatory requirements of a foreign country.

**21. DEFERRED TAX ASSETS/(LIABILITIES)**

(a) The components and movements of deferred tax assets/(liabilities) during the financial year are as follows:

	Group	
	2024 RM	2023 RM
<b>Deferred tax assets</b>		
<b>Property, plant and equipment</b>		
Balance as at 1 July 2023/2022	1,650,785	-
Recognised in profit or loss (Note 30)	51,719	1,650,785
	<b>1,702,504</b>	<b>1,650,785</b>

## Notes to the Financial Statements 30 June 2024

### 21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

- (a) The components and movements of deferred tax assets/(liabilities) during the financial year are as follows (continued):

	2024 RM	Group 2023 RM
<b>Deferred tax liabilities</b>		
<b>Property, plant and equipment</b>		
Balance as at 1 July 2023/2022	(89,900)	(185,773)
Recognised in profit or loss (Note 30)	(68,591)	95,873
Balance as at 30 June 2024/2023	<b>(158,491)</b>	(89,900)
<b>Others</b>		
Balance as at 1 July 2023/2022	(200,020)	–
Recognised in profit or loss (Note 30)	(63,347)	(200,020)
Balance as at 30 June 2024/2023	<b>(263,367)</b>	(200,020)
	<b>(421,858)</b>	(289,920)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

- (b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses, expired by				
- 30 June 2028	175,127	175,127	–	–
- 30 June 2029	15,637,975	15,637,975	–	–
- 30 June 2030	97,457	97,457	–	–
- 30 June 2031	71,819	71,819	–	–
- 30 June 2032	11,172	11,172	–	–
- 30 June 2033	3,467	3,467	–	–
- 30 June 2034	11,332	11,332	–	–
- 30 June 2035	18,902	–	–	–
Unabsorbed capital allowances	1,150,626	1,149,676	205,617	205,617
Other deductible temporary differences	1,152,694	896,445	56,405	62,566
	<b>18,330,571</b>	18,054,470	<b>262,022</b>	268,183

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**21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)**

- (b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows (continued):

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the Company and the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

**22. TRADE PAYABLES**

	2024 RM	Group 2023 RM
<b>Trade payables</b>		
Third parties	<b>2,265,158</b>	1,970,934

- (a) Trade payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 days to 120 days (2023: 30 days to 120 days).
- (c) The currency profile of trade payables of the Group are as follows:

	2024 RM	Group 2023 RM
Ringgit Malaysia	<b>1,962,760</b>	1,942,477
Chinese Renminbi	<b>321</b>	–
United States Dollar	<b>302,077</b>	28,457
	<b>2,265,158</b>	1,970,934

- (d) Sensitivity analysis of RM against foreign currencies (currencies which are other than the functional currency of the Group) at the end of the reporting period is not presented as the effect is immaterial to the Group.
- (e) Maturity profile of trade payables of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is payable within next twelve (12) months.

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### 23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	771,132	677,792	31,329	33,720
Accruals	2,209,301	3,536,950	140,031	132,773
	<b>2,980,433</b>	<b>4,214,742</b>	<b>171,360</b>	<b>166,493</b>

- (a) Other payables and accruals are classified as financial liabilities measured at amortised cost.
- (b) Maturity profile of other payables and accruals of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable within next twelve (12) months.
- (c) The currency profile of other payables and accruals of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,876,973	4,156,165	171,360	166,493
Chinese Renminbi	101,970	56,736	–	–
Singapore Dollar	1,490	1,841	–	–
	<b>2,980,433</b>	<b>4,214,742</b>	<b>171,360</b>	<b>166,493</b>

- (d) Sensitivity analysis of RM against foreign currencies (currencies which are other than the functional currency of the Group) at the end of the reporting period is not presented as the effect is immaterial to the Group.
- (e) Included in the other payables is withholding tax payable amounting to RM45,799 (2023: RM45,238).

### 24. CONTRACT LIABILITY

	Group	
	2024 RM	2023 RM
Deferred income	2,893,011	3,182,856

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**24. CONTRACT LIABILITY (continued)**

- (a) Contract liability is classified as financial liabilities measured at amortised cost.
- (b) Contract liability is denominated in RM.
- (c) Deferred income arose from sale of goods which are yet to be recognised as revenue due to unsatisfied performance obligations i.e. delivery of goods at the end of reporting period.
- (d) The amount of RM2,719,273 (2023: RM2,572,375) recognised in contract liability at the beginning of the financial year has been recognised as revenue for the financial year ended 30 June 2024.
- (e) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the end of the reporting period, are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	<b>2,893,011</b>	3,182,856

**25. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Revenue from contracts with customers</b>				
Sale of goods	<b>45,737,288</b>	46,552,749	–	–
<b>Other revenue</b>				
Dividend revenue from subsidiaries	–	–	<b>840,000</b>	1,650,000
	<b>45,737,288</b>	46,552,749	<b>840,000</b>	1,650,000

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements based on geographical location from which the sale transactions originated.

## Notes to the Financial Statements 30 June 2024

### 25. REVENUE (continued)

#### Revenue from contracts with customers

##### Sale of goods

Revenue from sale of goods is recognised at a point in time when the products have been transferred to the customers and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve months.

The contracts for the sale of goods provide customers with a right of return the goods within a specified period. No refund liability is recognised arising from the right of return as it is negligible.

##### Other revenue

##### Dividend revenue from subsidiaries

Dividend is recognised when the rights of the Company to receive payment is established.

### 26. COST OF SALES

	2024 RM	Group 2023 RM
Costs of goods sold	26,834,120	27,665,810

### 27. NET (LOSS)/GAIN ON IMPAIRMENT OF FINANCIAL INSTRUMENTS

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses on amounts owing by subsidiaries	15	–	–	(54,255)	(11,190)
Impairment losses on trade receivables	14	(196,185)	(163,146)	–	–
Reversal of impairment losses on amount owing by a subsidiary	15	–	–	–	9,005
Reversal of impairment losses on trade receivables	14	45,599	212,491	–	–
		(150,586)	49,345	(54,255)	(2,185)

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## 28. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration:				
BDO PLT Malaysia				
- statutory audit				
- current year	179,250	172,200	58,400	54,500
- non-statutory audit	4,800	4,800	4,800	4,800
Other auditors				
- statutory audit				
- current year	5,764	5,719	-	-
Loss on foreign exchange				
- realised	-	-	173	-
- unrealised	190	-	-	-
And crediting:				
Bad debt recovery	19,536	4,431	-	-
Gain on foreign exchange				
- realised	4,386	-	-	-
- unrealised	-	3,208	118	588
Interest income	6,558,089	5,413,615	6,225,024	5,231,877

### Interest income

Interest income is recognised on accruals basis using the effective interest method.

## 29. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Wages, salaries and others	10,238,669	11,695,705	1,201,405	1,387,433
Defined contribution plan	998,129	1,060,825	110,980	118,610
	11,236,798	12,756,530	1,312,385	1,506,043

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration excluding benefits-in-kind amounting to RM1,241,717 (2023: RM1,107,332) and RM364,649 (2023: RM337,337) respectively as disclosed in Note 33 to the financial statements.



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### 30. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current income tax</b>				
Malaysian income tax	1,919,408	1,855,225	1,092,000	918,000
Foreign income tax	1,079	3,404	–	–
	<b>1,920,487</b>	1,858,629	<b>1,092,000</b>	918,000
<b>Overprovision in prior years</b>				
Malaysian income tax	(86,719)	(52,313)	(48,953)	(1,756)
	<b>1,833,768</b>	1,806,316	<b>1,043,047</b>	916,244
<b>Withholding tax</b>	<b>115,460</b>	397,117	–	–
<b>Deferred tax (Note 21)</b>				
Relating to origination and reversal of temporary differences	171,875	(1,571,367)	–	–
(Over)/Underprovision in prior years	(91,656)	24,729	–	–
	<b>80,219</b>	(1,546,638)	–	–
	<b>2,029,447</b>	656,795	<b>1,043,047</b>	916,244

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

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**30. TAX EXPENSE (continued)**

- (c) A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	<b>10,147,295</b>	8,935,785	<b>4,798,497</b>	4,563,017
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	<b>2,435,351</b>	2,144,588	<b>1,151,639</b>	1,095,124
Difference in tax rates in foreign jurisdiction	<b>24,657</b>	23,310	-	-
Non-taxable income	<b>(290,010)</b>	(112,400)	<b>(203,012)</b>	(401,083)
Non-allowable expenses	<b>476,702</b>	489,100	<b>144,851</b>	228,382
Share of tax of associates	<b>(620,602)</b>	(561,301)	-	-
Deferred tax assets not recognised	<b>67,742</b>	2,584	-	-
Utilisation of previously unrecognised deferred tax assets	<b>(1,478)</b>	(1,698,619)	<b>(1,478)</b>	(4,423)
Withholding tax in foreign jurisdiction	<b>115,460</b>	397,117	-	-
	<b>2,207,822</b>	684,379	<b>1,092,000</b>	918,000
(Over)/Underprovision in prior years				
- income tax	<b>(86,719)</b>	(52,313)	<b>(48,953)</b>	(1,756)
- deferred tax	<b>(91,656)</b>	24,729	-	-
	<b>2,029,447</b>	656,795	<b>1,043,047</b>	916,244

## Notes to the Financial Statements

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### 31. EARNINGS PER ORDINARY SHARE

#### (a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	2024	Group 2023
Profit for the financial year attributable to equity holders of the parent (in RM)	<b>6,820,871</b>	7,016,707
Weighted average number of ordinary shares in issue	<b>85,162,500</b>	85,162,500
Weighted average number of treasury shares held	<b>(1,279,700)</b>	(1,279,700)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	<b>83,882,800</b>	83,882,800
Basic earnings per ordinary share (in sen)	<b>8.13</b>	8.36

#### (b) Diluted earnings per ordinary share

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

### 32. DIVIDENDS

	Group and Company			
	Dividend per share RM	2024 Amount of dividend RM	Dividend per share RM	2023 Amount of dividend RM
Single-tier dividend paid in respect of financial year ended 30 June 2023:				
- Interim	-	-	2.6	2,180,952
- Final	1.7	1,426,007	-	-

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary share amounting to RM1,677,656 in respect of the current financial year will be proposed for shareholders' approval based on the number of outstanding ordinary shares in issue as at 30 June 2024.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2025.

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**33. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements;
  - (ii) Associates as disclosed in Note 10 to the financial statements; and
  - (iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company.
- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transaction with related party during the financial year:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Subsidiaries</b>		
- Secretarial fees paid/payable	<b>24,000</b>	24,000
- Secretarial disbursement paid/payable	<b>960</b>	960
- Dividend income	<b>840,000</b>	1,650,000

The related party transaction described above was carried out in the normal course of business and has been established under negotiated and mutually agreed terms.

Information regarding outstanding balances arising from related party transaction as at 30 June 2024 are disclosed in Notes 15 and 16 to the financial statements.

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**33. RELATED PARTY DISCLOSURES (continued)**

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and key management personnel are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors of the Company</b>				
<b>Non-executive Directors</b>				
Directors' fees	204,600	213,620	204,600	213,620
<b>Executive Directors</b>				
Salaries, bonus and others	470,321	432,697	-	-
Defined contribution plan	51,276	35,916	-	-
Benefits-in-kind	17,100	17,100	-	-
	<b>538,697</b>	<b>485,713</b>	<b>-</b>	<b>-</b>
<b>Directors of the subsidiaries</b>				
Salaries, bonus, allowances and others	668,388	591,271	325,805	301,469
Defined contribution plan	51,732	47,448	38,844	35,868
Benefits-in-kind	8,800	8,800	8,800	8,800
	<b>728,920</b>	<b>647,519</b>	<b>373,449</b>	<b>346,137</b>
<b>Other key management personnel</b>				
Salaries, bonus, allowances and others	884,791	1,078,864	-	-
Defined contribution plan	71,819	63,720	-	-
Benefits-in-kind	13,750	18,700	-	-
	<b>970,360</b>	<b>1,161,284</b>	<b>-</b>	<b>-</b>
	<b>2,442,577</b>	<b>2,508,136</b>	<b>578,049</b>	<b>559,757</b>

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### 34. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS

#### 34.1 New MFRSS adopted during the financial year

The Group and the Company adopted the following Standard and Amendments to the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</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 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer MFRS 112 paragraph 98M

Adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

#### 34.2 New MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</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 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 and the Company are in the process of assessing the impact of implementing these Standards and Amendments, and has identified the potential impact arising from the initial adoption of MFRS 18.

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### 34. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS (continued)

#### 34.2 New MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2024 (continued)

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*, which would result in the following changes:

1. Presentation within the statements of profit or loss and other comprehensive income, including:
  - (a) Presentation of two (2) new defined subtotals: operating profit and profit before financing and income taxes; and
  - (b) Presentation of income and expenses in five (5) categories: operating, investing, financing, income taxes and discontinued operations.
  
2. Disclosures on management-defined performance measures ('MPM') in the notes to financial statements, including:
  - (a) Reconciliation of MPM to a total or subtotal required by MFRS 18 or another MFRS Accounting Standard; and
  - (b) Disclosures on how MPM is calculated, what the MPM communicates about the financial performance of the Group and the Company, and any changes made to the MPMs during the financial year.
  
3. Aggregation and disaggregation across the financial statements, including:
  - (a) Classification of expenses in the 'operating' category in the profit or loss by nature or function, or both;
  - (b) Disclosures of amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line item in the 'operating' category classified by function; and
  - (c) Label and/or description of material items presented or disclosed as 'other' as faithfully representative and precise a way as possible.
  
4. Introduction of MFRS Accounting Standards
 

MFRS 18 introduces 'MFRS Accounting Standards', which refers to accounting standards issued by the MASB that apply to reporting periods beginning on or after 1 January 2012. They comprise:

  - (a) Malaysian Financial Reporting Standards; and
  - (b) IC Interpretations.

MFRS Accounting Standards were previously known as Malaysian Financial Reporting Standards, MFRS, MFRSS and MFRS Standards.

# List of Properties

As at 30 June 2024

Location/ Address	Description	Area M <sup>2</sup> (acres)	Approximate age (year)	Existing use	Tenure	Net carrying amount RM '000	Year of last revaluation
K8 Lot PLO 25 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	4,047 (1)	46	Factory Premises	Leasehold for 60 years expiring in 2038	439	1991
Lot 22 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	44	Factory Premises	Leasehold for 60 years expiring in 2040	568	1991
Lot 24 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	4,047 (1)	44	Factory Premises	Leasehold for 60 years expiring in 2040	218	1991
PLO 97 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	38	Sales Office & Factory Premises	Leasehold for 60 years expiring in 2046	505	1991



# Shareholders Information

As at 10 October 2024

## ANALYSIS OF SHAREHOLDINGS

Paid-Up Share Capital	:	RM114,151,835/-
Total Number Issued Shares	:	85,162,500 Ordinary Shares
Voting Rights	:	1 vote per share

Size of Holdings	No. of Shareholders	No. of Shares #	% #
Less than 100	148	2,367	0.003
100 – 1,000	948	851,921	1.016
1,001 – 10,000	1,252	5,101,047	6.081
10,001 – 100,000	234	7,134,083	8.505
100,001 to less than 5%	44	45,493,993	54.235
5% and above	2	25,299,389	30.160
<b>Total</b>	<b>2,628</b>	<b>83,882,800</b>	<b>100.000</b>

# After deducting 1,279,700 treasury shares retained by the Company as per Record of Depositors.

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% #
1	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For LGT Bank AG (Local)</i>	16,925,000	20.177
2	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt An For LGT Bank AG (Foreign)</i>	8,374,389	9.983
3	Quantum Symbol Sdn. Bhd.	4,191,500	4.997
4	Jin Fu	4,189,900	4.995
5	Keo Yonvirya	4,189,800	4.995
6	Chea Putheany	4,189,200	4.994
7	Sak Sinak	4,176,300	4.979
8	Affin Hwang Nominees (Asing) Sdn. Bhd. <i>Selvione Limited</i>	4,152,000	4.950
9	Thun Phaned	3,870,800	4.615
10	Lim Porleng	3,689,200	4.398

## Shareholders Information

As at 10 October 2024

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	% #
11	Teo Kwee Hock	1,185,700	1.414
12	Lim Pei Tiam @ Liam Ahat Kiat	1,000,000	1.192
13	Chee Sai Mun	851,700	1.015
14	Goh Yoke Aie	768,000	0.916
15	Khomra Sodaneth	735,000	0.876
16	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Lee Chee Kong</i>	607,700	0.724
17	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Teo Siew Lai</i>	570,100	0.680
18	Sanjeev Chadha	533,100	0.636
19	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Ting Poi Ling</i>	532,800	0.635
20	Lee Chou Sarn	505,493	0.603
21	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt An For DBS Bank Ltd.</i>	391,200	0.466
22	Yeoh Swee Leng	388,900	0.464
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Yoon Sing</i>	387,000	0.461
24	Chong Yok Thai	367,700	0.438
25	HLIB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Yoon Sing</i>	299,900	0.358
26	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Liu Wen Jong</i>	298,800	0.356
27	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For UOB Kay Hian Pte. Ltd.</i>	280,100	0.334
28	Law Hee Ling	224,900	0.268
29	Yeoh Phek Leng	209,000	0.249
30	Lee Yu Yong @ Lee Yuen Ying	204,600	0.244
	<b>Total</b>	<b>68,289,782</b>	<b>81.412</b>

## Shareholders Information As at 10 October 2024

### SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest	Number of Ordinary Shares		% #
		% #	Indirect Interest	
Tan Sri Dr Chen Lip Keong	16,925,000 <sup>*a</sup>	20.177	8,374,389 <sup>*b</sup>	9.983
Blue Velvet Property Corp	8,374,389	9.983	–	–

#### Notes:

<sup>\*a</sup> 16,925,000 ordinary shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local).

<sup>\*b</sup> Indirect interest by virtue of his interest in Blue Velvet Property Corp.

### SHAREHOLDINGS OF DIRECTORS / CHIEF EXECUTIVE WHO IS NOT A DIRECTOR

	Direct Interest	Number of Ordinary Shares		% #
		% #	Deemed Interest	
<b>Directors</b>				
Chen Yiy Fon <sup>*a</sup>	–	–	–	–
Puan Sri Lee Chou Sarn <sup>*a</sup>	505,493	0.603	25,299,389 <sup>*b</sup>	30.160
Leong Choong Wah	–	–	–	–
Michael Lai Kai Jin	–	–	–	–
Tee Meng Kwang	–	–	–	–
<b>Chief Executive Officer</b>				
Lim Kam Choy	–	–	–	–

#### Notes:

<sup>\*a</sup> Puan Sri Lee Chou Sarn is the spouse of late Tan Sri Dr Chen Lip Keong. Mr Chen Yiy Fon is the son of late Tan Sri Dr Chen Lip Keong and Puan Sri Lee Chou Sarn.

<sup>\*b</sup> Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 held by the spouse.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty Fifth Annual General Meeting of FACB Industries Incorporated Berhad will be conducted on a fully virtual basis through live streaming and online remote voting as below:

Day and date	:	Monday, 9 December 2024
Time	:	3.00 p.m.
Broadcast venue	:	Tricor Business Centre, Manuka 2 & 3 Meeting Room Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Online meeting platform	:	<a href="https://tiih.online">https://tiih.online</a>
Mode of communication	:	Typed text to be submitted in the online meeting platform

for the following purposes:

## AGENDA

### As Ordinary Business:

- |   |   |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of Directors and Auditors thereon.                     | <b>(Please see Explanatory Notes 1)</b> |
| 2. To approve a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 30 June 2024.   | <b>Resolution 1</b>                     |
| 3. To approve payment of Directors' fees and benefits up to RM350,000/- from 9 December 2024 until the conclusion of the following Annual General Meeting of the Company. | <b>Resolution 2</b>                     |
| 4. To re-elect the following Directors who are retiring pursuant to regulation 21.2 of the Company's Constitution.  |   |
| (i) Mr Chen Yiy Fon   | <b>Resolution 3</b>                     |
| (ii) Mr Tee Meng Kwang  | <b>Resolution 4</b>                     |
| 5. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Resolution 5</b>                     |

## Notice of Annual General Meeting

### As Special Business:

To consider and, if thought fit, pass the following Ordinary Resolutions:

6. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

### Resolution 6

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be offered new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act, AND THAT the Board of Directors of the Company is exempted from the obligations to offer such new shares first to the existing shareholders of the Company.”

7. To transact any other ordinary business of which due notice shall have been received.

### Notice Of Dividend Entitlement

NOTICE IS ALSO HEREBY GIVEN that a final single-tier dividend of 2.0 sen per ordinary share, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 21 January 2025 to shareholders whose names appear in the Records of Depositors on 31 December 2024. A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor’s Securities account before 4.30 p.m. on 31 December 2024 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

## Notice of Annual General Meeting

By Order of the Board

Lee Boo Tian  
LS0007987  
PC NO. 202008002588  
Company Secretary

Kuala Lumpur  
29 October 2024

### Notes:

1. The 45th Annual General Meeting (“AGM”) will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities (“RPV”). The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the poll administrator for the AGM to facilitate the RPV via **TIIH Online** website at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide for the 45th AGM to register, participate, speak and vote remotely via the RPV.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the AGM in person at the Broadcast Venue on the day of the meeting.

3. A member entitled to attend and vote at the Meeting via RPV is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
5. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner before **3.00 p.m.** on **Saturday, 7 December 2024**:
  - a) In hard copy form (applicable to all members)  
Submit to Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
  - b) By electronic form (applicable to all members)  
Lodge via TIIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Guide.

## Notice of Annual General Meeting

### Notes (continued):

6. A member who has appointed a proxy or authorised representative to participate in the AGM via RPV must request his/her proxy or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide.
7. Only members whose names appear in the Record of Depositors on **28 November 2024** shall be eligible to attend the Meeting.
8. Shareholders' attention is hereby drawn to the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.
9. Voting for all resolutions set out in the Notice of Meeting shall be by poll via RPV.

### Explanatory Notes:

1. Agenda 1 – The provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.
2. Ordinary Resolution on Directors' fees and benefits  
Under the Companies Act 2016, the Company shall hold its general meeting within (6) six months after the conclusion of the financial year. Resolution 2 is to facilitate payment of fees and benefits to Directors for the period 9 December 2024 until the following Annual General Meeting which shall be held within six (6) months after the conclusion of the financial year 2025.
3. Ordinary Resolution on Sections 75 and 76 of the Companies Act 2016  
Resolution 6 if passed will empower the Directors to issue shares up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company in a general meeting, shall expire at the next Annual General Meeting of the Company.

No proceeds were raised from the previous mandate. The renewed mandate provides flexibility for fund raising activities including placement of shares, for the purpose of funding further investment project(s), working capital and/or acquisitions.

## Notice of Annual General Meeting

### Statement Accompanying Notice of Annual General Meeting

1. The Directors standing for re-election:
 

Mr Chen Yiy Fon	-	Resolution 3
Mr Tee Meng Kwang	-	Resolution 4
  
2. Information on Directors standing for re-election and all other Directors is set out under Profiles of the Directors and Key Senior Management of this Annual Report. Details of attendance of Board Meetings held during the financial year ended 30 June 2024 for the Directors are set out under Other Compliance Statements of this Annual Report.

### Annual Report/Administrative Guide

Annual Report 2024 and Administrative Guide for participating in the virtual AGM are available at [www.facbi.com](http://www.facbi.com) (under Investor Relations – Annual Report).

For further information on the AGM, please contact Tricor Investor & Issuing House Services Sdn. Bhd.:

General Line : +603-2783 9299  
 Fax Number : +603-2783 9222  
 Contact person : Encik Mohamad Khairudin bin Tajudin (+603-2783 7973)



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# FACB INDUSTRIES INCORPORATED BERHAD

197901004632 (48850-K)  
(Incorporated in Malaysia)

## PROXY FORM

Number of Shares	CDS Account No.

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member of **FACB INDUSTRIES INCORPORATED BERHAD** hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Forty Fifth Annual General Meeting of the Company which will be conducted on a fully virtual basis through live streaming and online remote voting from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Monday, 9 December 2024 at 3.00 p.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1	Approval of final dividend		
2	Approval of Directors' fees and benefits		
3	Re-election of Mr Chen Yiy Fon as Director		
4	Re-election of Mr Tee Meng Kwang as Director		
5	Re-appointment of BDO PLT as Auditors and their remuneration		
6	Authority pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your vote to be cast. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature/Seal of Shareholder

### NOTES:

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- A member entitled to attend and vote at the Meeting via RPV is entitled to appoint a proxy or proxies in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
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- Shareholders' attention is hereby drawn to the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.
- Voting for all resolutions set out in the Notice of Meeting shall be by poll via RPV.



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AFFIX  
STAMP

**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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