



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME For The Second Quarter Ended 31 December 2023**
(The figures have not been audited)

	Current Quarter Ended 31/12/2023 RM'000	Comparative Quarter Ended 31/12/2022 RM'000	6 Months Cumulative To Date 31/12/2023 RM'000	6 Months Cumulative To Date 31/12/2022 RM'000
Revenue	12,627	12,652	24,734	23,944
Cost of sales	(7,615)	(7,362)	(15,087)	(14,046)
Gross profit	5,012	5,290	9,647	9,898
Other income	1,724	1,386	3,349	2,505
Operating expenses	(4,801)	(4,916)	(9,663)	(9,588)
Finance costs	(29)	(23)	(49)	(45)
Share of results of associates, net of tax	728	577	803	479
Profit before tax	2,634	2,314	4,087	3,249
Tax expense	(604)	(929)	(994)	(1,217)
Net Profit for the period	2,030	1,385	3,093	2,032
Other comprehensive (loss)/ income:				
Foreign currency translation	313	(954)	44	(1,125)
Total comprehensive income for the period	<u>2,343</u>	<u>431</u>	<u>3,137</u>	<u>907</u>
Profit attributable to:				
Owners of the parent	1,703	1,240	2,736	1,916
Non-controlling interests	327	145	357	116
	<u>2,030</u>	<u>1,385</u>	<u>3,093</u>	<u>2,032</u>
Total comprehensive income attributable to:				
Owners of the parent	1,877	714	2,761	1,295
Non-controlling interests	466	(283)	376	(388)
	<u>2,343</u>	<u>431</u>	<u>3,137</u>	<u>907</u>
Earnings per share for profit attributable to owners of the parent:				
Basic and diluted (sen)	<u>2.03</u>	<u>1.48</u>	<u>3.26</u>	<u>2.28</u>
Dividend per share (sen)				
Interim	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.60</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 December 2023

	Unaudited As At 31/12/2023 RM'000	Audited As At 30/06/2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,848	3,044
Right-of-use assets	2,018	1,292
Intangible assets	21	36
Investments in associates	21,804	22,088
Deferred tax assets	1,651	1,651
Financial assets at amortised cost	29,798	29,779
Financial assets at fair value through other comprehensive income ("FVTOCI")	13,567	13,567
	<u>71,707</u>	<u>71,457</u>
Current Assets		
Inventories	5,513	6,187
Trade and other receivables	9,934	7,388
Current tax assets	419	399
Deposits, cash and bank balances	157,580	155,995
	<u>173,446</u>	<u>169,969</u>
TOTAL ASSETS	<u>245,153</u>	<u>241,426</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	(18,922)	(18,953)
Retained earnings	124,949	122,219
	<u>218,954</u>	<u>216,193</u>
Non-controlling interests	14,903	14,550
TOTAL EQUITY	<u>233,857</u>	<u>230,743</u>
LIABILITIES		
Non-Current Liabilities		
Lease liabilities	714	229
Deferred tax liabilities	290	290
	<u>1,004</u>	<u>519</u>
Current Liabilities		
Trade and other payables	6,267	6,186
Contract liability	2,879	3,183
Lease liabilities	876	608
Current tax liabilities	270	187
	<u>10,292</u>	<u>10,164</u>
TOTAL LIABILITIES	<u>11,296</u>	<u>10,683</u>
TOTAL EQUITY AND LIABILITIES	<u>245,153</u>	<u>241,426</u>
Net Assets per share (RM)	2.61	2.58

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 31 December 2023

(The figures have not been audited)

In RM'000	← Attributable to Owners of the Parent →				Total	Non-Controlling	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings		Interests	
At 1 July 2023	114,152	(1,225)	(18,953)	122,219	216,193	14,550	230,743
Net profit for the period	-	-	-	2,736	2,736	357	3,093
Other comprehensive income							
- Foreign currency translation	-	-	25	-	25	19	44
Total comprehensive income/(loss) for the period	-	-	25	2,736	2,761	376	3,137
Transfer of reserves of a subsidiary	-	-	6	(6)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(23)	(23)
Total transactions with owners	-	-	6	(6)	-	(23)	(23)
At 31 December 2023	114,152	(1,225)	(18,922)	124,949	218,954	14,903	233,857
At 1 July 2022	114,152	(1,225)	(18,426)	117,420	211,921	15,139	227,060
Net profit for the period	-	-	-	1,916	1,916	116	2,032
Other comprehensive loss							
- Foreign currency translation	-	-	(621)	-	(621)	(504)	(1,125)
Total comprehensive (loss)/income for the period	-	-	(621)	1,916	1,295	(388)	907
Transfer of reserves of a subsidiary	-	-	37	(37)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(45)	(45)
Total transactions with owners	-	-	37	(37)	-	(45)	(45)
At 31 December 2022	114,152	(1,225)	(19,010)	119,299	213,216	14,706	227,922

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The Period Ended 31 December 2023***(The figures have not been audited)*

	Current Period Ended 31/12/2023 RM'000	Comparative Period Ended 31/12/2022 RM'000
Cash Flows from Operating Activities		
Profit before tax	4,087	3,249
Adjustments for:		
Accretion of discount on financial asset at amortised cost	(19)	(18)
Amortisation of intangible assets	15	16
Depreciation of property, plant and equipment	237	214
Depreciation of right-of-use assets	467	443
Gain on disposal of property, plant and equipment	-	(19)
Impairment losses on trade receivables	257	54
Interest expense on lease liabilities	49	45
Property, plant and equipment written off	7	-
Interest income	(3,279)	(2,387)
Share of results of associates, net of tax	(803)	(479)
Operating profit before working capital changes	1,018	1,118
Net changes in current assets	(1,521)	632
Net changes in current liabilities	58	586
Net changes in contract liability	(304)	(353)
Cash (used in)/generated from operations	(749)	1,983
Tax paid	(1,078)	(994)
Tax refunded	146	203
Net cash (used in)/generated from operating activities	(1,681)	1,192
Cash Flows from Investing Activities		
Dividend received from associates	-	3,941
Interest received	3,800	2,422
Net withdrawal/(placement) of deposits placed with licensed banks with maturity more than three (3) months	4,643	(5,770)
Proceeds from disposal of property, plant and equipment	-	19
Purchase of property, plant and equipment	(49)	(154)
Net cash from investing activities	8,394	458
Cash Flows from Financing Activities		
Dividend paid to non-controlling interest by a subsidiary	-	(45)
Payment of lease liabilities	(489)	(502)
Net cash used in financing activities	(489)	(547)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Period Ended 31 December 2023 (Cont'd)

(The figures have not been audited)

	Current Period Ended 31/12/2023 RM'000	Comparative Period Ended 31/12/2022 RM'000
Net increase in cash and cash equivalents	6,224	1,103
Effects of exchange rate changes on cash and cash equivalents	4	(19)
Cash and cash equivalents at beginning of the period	14,591	16,648
Cash and cash equivalents at end of the period	<u>20,819</u>	<u>17,732</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	148,862	142,080
Cash and bank balances	8,718	14,469
	<u>157,580</u>	<u>156,549</u>
Deposits placed with licensed banks with maturity more than three (3) months	(136,761)	(138,817)
	<u>20,819</u>	<u>17,732</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023)

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

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). The unaudited condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023.

The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2023 except for the adoption of the following Amendments of the MFRS Framework that were issued by the MASB during the financial period: -

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to 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 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

The adoption of the above Amendments did not have any material impact on the Group’s financial statements.

As at the date of authorisation of the interim financial statements, the Group has not applied the following MFRS Framework that have been issued by the MASB but have not been early adopted by the Group: -

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	Refer MFRS 112 paragraph 98M
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standard and Amendments since the effects would only be observable for future financial years.

NOTES (IN COMPLIANCE WITH MFRS 134)**A2 Qualification of Financial Statements**

The Group's most recent annual audited financial statements for the year ended 30 June 2023 was not qualified.

A3 Seasonal or Cyclical Factors

The Group's operations for the current quarter and financial year-to-date were not materially affected by any seasonal or cyclical factors.

A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date.

A5 Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts reported in the previous interim period of the current financial year or changes in estimate of amounts reported in the previous financial years which have a material effect in the current quarter or the current financial year-to-date.

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 31 December 2023, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

A7 Dividend Paid

No dividend was paid during the current quarter and financial year-to-date.

A8 Reportable Segments

	<u>Bedding</u> RM'000	<u>Other Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Period				
Ended 31 December 2023				
External revenue	24,734	-	-	24,734
Inter-segment revenue	-	1,215	(1,215)	-
Total	24,734	1,215	(1,215)	24,734
Segment results:				
Amortisation of intangible assets	(15)	-	-	(15)
Depreciation of property, plant and equipment	(217)	(20)	-	(237)
Depreciation of right-of-use assets	(313)	(154)	-	(467)
Interest expense on lease liabilities	(36)	(13)	-	(49)
Interest income	142	3,137	-	3,279
Reportable segment profit before tax	1,561	1,723	-	3,284
Share of results of associates	-	803	-	803
Total	1,561	2,526	-	4,087

NOTES (IN COMPLIANCE WITH MFRS 134)**A8 Reportable Segments (cont'd)**

	<u>Bedding</u>	<u>Other</u> <u>Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
For Comparative Period				
Ended 31 December 2022				
External revenue	23,944	-	-	23,944
Inter-segment revenue	-	4,074	(4,074)	-
Total	23,944	4,074	(4,074)	23,944
Segment results:				
Amortisation of intangible assets	(16)	-	-	(16)
Depreciation of property, plant and equipment	(193)	(21)	-	(214)
Depreciation of right-of-use assets	(261)	(182)	-	(443)
Interest expense on lease liabilities	(19)	(26)	-	(45)
Interest income	42	2,345	-	2,387
Reportable segment profit before tax	2,133	637	-	2,770
Share of results of associates	-	479	-	479
Total	2,133	1,116	-	3,249

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

There were no material events from the end of the quarter to 21 February 2024 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) that has not been reflected in the current quarter and financial year-to-date.

A10 Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A11 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this report which may have a material impact on the financial position of the Group.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B1 Performance Review

	Preceding Year			Preceding Year		
	Current Quarter	Comparative Quarter	Changes	Current Period	Comparative Period	Changes
	31/12/2023	31/12/2022	%	31/12/2023	31/12/2022	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	12,627	12,652	-0.2%	24,734	23,944	3%
Gross Profit	5,012	5,290	-5%	9,647	9,898	-3%
Profit before tax	2,634	2,314	14%	4,087	3,249	26%
Additional Information:						
Share of results of associates	728	577	26%	803	479	68%

(a) Current Quarter vs Preceding Year Comparative Quarter

The Group recorded revenue of RM12.63 million and profit before tax (PBT) of RM2.63 million for the current quarter ended 31 December 2023 compared to revenue of RM12.65 million and PBT of RM2.31 million in the preceding year comparative quarter, representing decrease in revenue of 0.2% and increase in PBT of 14%. The higher PBT for the current quarter was due to higher interest income recorded and higher contribution from associates.

The bedding operation in Malaysia recorded revenue increase from consumer sales of RM0.04 million or 0.3% to RM12.09 million for current quarter as compared to RM12.06 million in the preceding year comparative quarter. PBT of RM0.90 million for current quarter compared to RM1.42 million in the preceding year comparative quarter represents a decrease of RM0.52 million or 37% due to higher sales mix of lower gross profit margin products and higher logistic costs incurred for the current quarter.

Associates in China contributed higher profit of RM0.73 million for the current quarter compared to RM0.58 million in the preceding year comparative quarter mainly due to better operating margin in the current quarter.

(b) Current Period vs Preceding Year Comparative Period

The Group registered higher revenue of RM24.73 million for the current period compared to RM23.94 million registered in the preceding year comparative period and higher PBT of RM4.09 million as compared to RM3.25 million in the preceding year comparative period.

The bedding operation in Malaysia reported higher revenue of RM23.79 million compared to RM22.77 million in the preceding year comparative period, represents sales growth of 4% over the period with higher sales from Amway Malaysia. Lower PBT of RM1.54 million reported compared to RM2.06 million in the preceding year comparative period mainly due to lower profit margin recorded and higher marketing and selling expenses incurred.

Associates in China contributed higher net profit of RM0.80 million against RM0.48 million in the preceding year comparative period. Higher profit recorded in the current period mainly due to better operating margin.

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

	Current Quarter 31/12/2023 RM'000	Immediate Preceding Quarter 30/09/2023 RM'000	Changes %
Revenue	12,627	12,107	4%
Gross Profit	5,012	4,635	8%
Profit before tax	2,634	1,453	81%
Additional Information: Share of results of associates	728	75	871%

The Group registered higher revenue of RM12.63 million for the current quarter compared to RM12.11 million registered in the immediate preceding quarter ended 30 September 2023. A higher PBT of RM2.63 million reported for the current quarter versus RM1.45 million in the immediate preceding quarter.

The bedding Malaysia recorded higher revenue of RM12.09 million and higher PBT of RM0.90 million compared to revenue of RM11.69 million and PBT of RM0.65 million in the immediate preceding quarter. Higher revenue and higher PBT recorded in line with higher sales recorded and higher profit margin.

Associates in China recorded a net profit of RM0.73 million for the current quarter compared to RM0.08 million in the immediate preceding quarter resulted from better operating margin.

B3 Current Year Prospects

The performance of the Group for the financial year ending 30 June 2024 will be impacted by changing consumer sentiments and spending confidence.

The Group has taken various initiatives to increase sales with the launch of new products at an affordable pricing. Several promotional activities have been launched to increase market share and effective cost control management implemented to improve profitability.

B4 Achievability of Forecast Profit

This note is not applicable.

B5 Variance of Actual Profit from Forecast Profit or Profit Guarantee

This note is not applicable.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B6 Notes to the Condensed Consolidated Statement of Profit or Loss

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

	Current Quarter Ended <u>31/12/2023</u> RM'000	Comparative Quarter Ended <u>31/12/2022</u> RM'000	6 Months Cumulative To Date <u>31/12/2023</u> RM'000	6 Months Cumulative To Date <u>31/12/2022</u> RM'000
Accretion of discount on financial asset at amortised cost	(10)	(9)	(19)	(18)
Amortisation of intangible assets	8	8	15	16
Depreciation of property, plant and equipment	117	112	237	214
Depreciation of right-of use assets	238	221	467	443
Gain on disposal of property, plant and equipment	-	(19)	-	(19)
Impairment loss on trade receivables	127	-	257	54
Interest expense on lease liabilities	29	23	49	45
Property, plant and equipment written off	7	-	7	-
Interest income	(1,664)	(1,279)	(3,279)	(2,387)
Loss on foreign exchange - realised	-	133	-	133
Reversal of impairment loss on trade receivables	-	(2)	-	-

Apart from the above, there was no write off of receivables, write off of inventories, impairment of assets, gain or loss on disposal of quoted investments, gain or loss on derivatives and other material items for the current quarter and financial year-to-date.

B7 Tax expense

Tax expense comprises the following: -

	Current Quarter Ended <u>31/12/2023</u> RM'000	Comparative Quarter Ended <u>31/12/2022</u> RM'000	6 Months Cumulative To Date <u>31/12/2023</u> RM'000	6 Months Cumulative To Date <u>31/12/2022</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	488	531	878	818
- Foreign	116	398	116	399
Total tax expense	604	929	994	1,217

The effective tax rate of the Group (excluding the share of results of associates) for the current period to date was higher than the statutory rate due principally to certain expenses not being deductible for tax purposes.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B8 Status of Corporate Proposals**

There were no outstanding corporate proposals that has been announced but not completed as at the date of this quarterly report.

B9 Group Borrowing

There was no borrowing as at 31 December 2023.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 31 December 2023.

B11 Changes in Material Litigation

The Group is not engaged in any material litigation as at the date of this report which will have a material effect on the financial position of the Group.

B12 Dividend Proposed or Declared

On 27 October 2023, the Board of Directors recommended a final single-tier dividend of 1.7 sen per ordinary share amounting to approximately RM1,426,000 in respect of the financial year ended 30 June 2023 and payable on 17 January 2024. The entitlement date was 29 December 2023. The recommendation was approved by shareholders on 29 November 2023.

Apart from the above, no dividend has been recommended by the Board of Directors in respect of the current quarter.

B13 Earnings per Share

The earnings per share (basic) for the current quarter and financial year-to-date are calculated by dividing the Group's net profit for the period attributable to owners of the parent with the weighted average number of shares in issue (excluding treasury shares) of 83,882,800.

	Current Quarter Ended <u>31/12/2023</u> RM'000	Comparative Quarter Ended <u>31/12/2022</u> RM'000	6 Months Cumulative To Date <u>31/12/2023</u> RM'000	6 Months Cumulative To Date <u>31/12/2022</u> RM'000
Net profit attributable to owners of the parent	<u>1,703</u>	<u>1,240</u>	<u>2,736</u>	<u>1,916</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

Lee Boo Tian

LS 0007987

PC NO. 202008002588

Group Company Secretary

Kuala Lumpur

Date: 27 February 2024