



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME For The Third Quarter Ended 31 March 2022**
(The figures have not been audited)

	Current Quarter Ended 31/03/2022 RM'000	Comparative Quarter Ended 31/03/2021 RM'000	9 Months Cumulative To Date 31/03/2022 RM'000	9 Months Cumulative To Date 31/03/2021 RM'000
Revenue	15,749	11,834	33,792	37,351
Cost of sales	(10,204)	(7,163)	(21,820)	(23,321)
Gross profit	5,545	4,671	11,972	14,030
Other income	971	911	3,290	3,183
Operating expenses	(4,584)	(4,253)	(11,789)	(14,389)
Finance costs	(35)	(46)	(97)	(144)
Share of results of associates, net of tax	440	1,222	4,721	2,642
Profit before tax	2,337	2,505	8,097	5,322
Tax expense	(512)	(400)	(1,198)	(1,680)
Net Profit for the period	1,825	2,105	6,899	3,642
Other comprehensive income:				
Foreign currency translation	266	295	820	442
Total comprehensive income for the period	2,091	2,400	7,719	4,084
Profit attributable to:				
Owners of the parent	1,493	1,476	4,740	2,303
Non-controlling interests	332	629	2,159	1,339
	1,825	2,105	6,899	3,642
Total comprehensive income attributable to:				
Owners of the parent	1,640	1,639	5,193	2,548
Non-controlling interests	451	761	2,526	1,536
	2,091	2,400	7,719	4,084
Earnings per share for profit attributable to owners of the parent:				
Basic and diluted (sen)	1.78	1.76	5.65	2.75

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2022

	Unaudited As At 31/03/2022 RM'000	Audited As At 30/06/2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,155	3,411
Right-of-use assets	1,987	2,710
Intangible assets	75	101
Investment in associates	22,952	20,401
Financial asset at amortised cost	29,735	9,956
Financial asset at fair value through other comprehensive income ("FVTOCI")	23,743	23,743
	81,647	60,322
Current Assets		
Inventories	6,913	6,942
Trade and other receivables	12,974	7,524
Deposits, cash and bank balances	148,344	163,498
	168,231	177,964
TOTAL ASSETS	249,878	238,286
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	(8,194)	(8,670)
Retained earnings	114,862	110,145
	219,595	214,402
Non-controlling interests	16,819	14,339
TOTAL EQUITY	236,414	228,741
LIABILITIES		
Non-Current Liability		
Lease liabilities	709	1,403
Deferred tax liabilities	163	163
	872	1,566
Current Liabilities		
Trade and other payables	9,397	5,610
Contract liability	2,268	1,472
Lease liabilities	863	882
Tax liabilities	64	15
	12,592	7,979
TOTAL LIABILITIES	13,464	9,545
TOTAL EQUITY AND LIABILITIES	249,878	238,286
Net Assets per share (RM)	2.62	2.56

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Period Ended 31 March 2022***(The figures have not been audited)*

	← Attributable to Owners of the Parent →				Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings			
In RM'000							
At 1 July 2021	114,152	(1,225)	(8,670)	110,145	214,402	14,339	228,741
Net profit for the period	-	-	-	4,740	4,740	2,159	6,899
Other comprehensive income							
- Foreign currency translation	-	-	453	-	453	367	820
Total comprehensive income for the period	-	-	453	4,740	5,193	2,526	7,719
Transfer of reserves of a subsidiary	-	-	23	(23)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(46)	(46)
Total transactions with owners	-	-	23	(23)	-	(46)	(46)
At 31 March 2022	114,152	(1,225)	(8,194)	114,862	219,595	16,819	236,414
At 1 July 2020	114,152	(1,225)	4,526	108,774	226,227	13,961	240,188
Net profit for the period	-	-	-	2,303	2,303	1,339	3,642
Other comprehensive income							
- Foreign currency translation	-	-	245	-	245	197	442
Total comprehensive income for the period	-	-	245	2,303	2,548	1,536	4,084
Transfer of reserves of a subsidiary	-	-	45	(45)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	(63)	(63)
Total transactions with owners	-	-	45	(45)	-	(63)	(63)
At 31 March 2021	114,152	(1,225)	4,816	111,032	228,775	15,434	244,209

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Period Ended 31 March 2022
(The figures have not been audited)

	Current Period Ended 31/03/2022 RM'000	Comparative Period Ended 31/03/2021 RM'000
Cash Flows from Operating Activities		
Profit before tax	8,097	5,322
Adjustments for:		
Accretion of discount on financial asset at amortised cost	(19)	(8)
Amortisation of intangible assets	26	33
Depreciation of property, plant and equipment	315	315
Depreciation of right-of-use assets	645	678
Gain on disposal of property, plant and equipment	-	(3)
Gain on modification of leases	-	(4)
Impairment losses on trade receivables	236	43
Interest expense on lease liabilities	97	144
Interest income	(2,812)	(2,831)
Reversal of impairment loss on trade receivables	(5)	(150)
Share of results of associates, net of tax	(4,721)	(2,642)
Operating profit before working capital changes	1,859	897
Net changes in current assets	(5,226)	(961)
Net changes in current liabilities	3,767	3,986
Net changes in contract liability	796	(13)
Cash generated from operations	1,196	3,909
Tax paid	(1,639)	(1,458)
Tax refunded	62	8
Net cash (used in)/ generated from operating activities	(381)	2,459
Cash Flows from Investing Activities		
Acquisition of financial assets at amortised cost	(19,760)	-
Dividend received from associates	2,966	2,786
Interest received	2,837	2,864
Net withdrawal/(placement) of deposits placed with licensed banks with maturity more than three (3) months	17,046	(897)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(59)	(262)
Purchase of intangible assets	-	(22)
Net cash generated from investing activities	3,030	4,472
Cash Flows from Financing Activities		
Dividend paid to non-controlling interest by a subsidiary	(46)	(63)
Payment of lease liabilities	(732)	(752)
Net cash used in financing activities	(778)	(815)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Period Ended 31 March 2022 (Cont'd)

(The figures have not been audited)

	Current Period Ended 31/03/2022 RM'000	Comparative Period Ended 31/03/2021 RM'000
Net increase in cash and cash equivalents	1,871	6,116
Effects of exchange rate changes on cash and cash equivalents	21	17
Cash and cash equivalents at beginning of the period	10,918	7,198
Cash and cash equivalents at end of the period	<u>12,810</u>	<u>13,331</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	138,596	154,708
Cash and bank balances	<u>9,748</u>	<u>11,240</u>
	148,344	165,948
Deposits placed with licensed banks with maturity more than three (3) months	<u>(135,534)</u>	<u>(152,617)</u>
	<u>12,810</u>	<u>13,331</u>

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

NOTES (IN COMPLIANCE WITH MFRS 134)

A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021.

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

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2021 except for the adoption of the following Amendments of the MFRS Framework that were issued by the MASB during the financial period:-

Title	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform-Phase 2	1 January 2021

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

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

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 19-Comparative Information</i>	1 January 2023

NOTES (IN COMPLIANCE WITH MFRS 134)

A1 Basis of Preparation (cont'd)

As at the date of authorisation of the interim financial statements, the Group has not applied the following MFRS Framework that have been issued by the MASB but are not yet effective for the Group (cont'd):-

Title	Effective Date
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

A2 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2021 was not qualified.

A3 Seasonal or Cyclical Factors

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

A4 Unusual Items

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

A5 Nature and Amount of Changes in Estimates

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

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 31 March 2022, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

A7 Dividend Paid

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

A8 Reportable Segments

	<u>Bedding</u> RM'000	<u>All Other</u> <u>Segments</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
For Current Period				
Ended 31 March 2022				
External revenue	33,792	-		33,792
Inter-segment revenue	-	3,125	(3,125)	-
Total	33,792	3,125	(3,125)	33,792

NOTES (IN COMPLIANCE WITH MFRS 134)

A8 Reportable Segments (cont'd)

	<u>Bedding</u>	<u>All Other</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	Segments	RM'000	RM'000
For Current Period				
Ended 31 March 2022				
Segment results:				
Amortisation of intangible assets	26	-	-	26
Depreciation of property, plant and equipment	286	29	-	315
Depreciation of right-of-use assets	434	211	-	645
Interest expense on lease liabilities	51	46	-	97
Interest income	18	2,794	-	2,812
Reportable segment profit before tax	2,358	1,018	-	3,376
Share of results of associates	-	4,721	-	4,721
Total	2,358	5,739	-	8,097
For Comparative Period				
Ended 31 March 2021				
External revenue	37,351	-	-	37,351
Inter-segment revenue	-	7,667	(7,667)	-
Total	37,351	7,667	(7,667)	37,351
Segment results:				
Amortisation of intangible assets	33	-	-	33
Depreciation of property, plant and equipment	288	27	-	315
Depreciation of right-of-use assets	437	241	-	678
Interest expense on lease liabilities	75	69	-	144
Interest income	17	2,814	-	2,831
Reportable segment profit before tax	3,612	(932)	-	2,680
Share of results of associates	-	2,642	-	2,642
Total	3,612	1,710	-	5,322

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

There were no material events from the end of the quarter to 19 May 2022 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) that has not been reflected in the current quarter and financial year-to-date.

A10 Effect of Changes in the Composition of the Group

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

A11 Changes in Contingent Liabilities or Contingent Assets

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

NOTES (IN COMPLIANCE WITH MFRS 134)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B1 Performance Review

(a) Current Quarter vs Preceding Year Comparative Quarter

For the current quarter, the Group reported a profit before tax (PBT) of RM2.34 million on the back of RM15.75 million in revenue as compared with PBT of RM2.51 million and revenue of RM11.83 million in the preceding year comparative quarter. The higher revenue for the current quarter was attributable to higher consumer sales from Bedding Malaysia operation, which benefited from the opening of domestic market from the lockdown.

Bedding Malaysia operation recorded PBT of RM1.61 million compared to PBT of RM1.03 million registered in the preceding year comparative quarter on the back of higher revenue. Revenue reported at RM15.26 million for current quarter increased by RM4.07 million or 36% as compared to RM11.19 million in the preceding year comparative quarter due to higher consumer confidence from the full opening of domestic economy. Associates contributed a net profit of RM0.44 million for the current quarter.

(b) Current Period vs Preceding Year Comparative Period

The Group registered lower revenue of RM33.79 million for the current period compared to RM37.35 million registered in the preceding year comparative period mainly due to government movement control order (MCO) implemented during the first financial quarter. The Group reported higher PBT of RM8.10 million as compared to RM5.32 million in preceding year comparative period due to higher contribution from associates.

Bedding Malaysia operation reported lower PBT of RM2.22 million compared to RM3.46 million in comparative period due to lower revenue resulted from the MCO interruption. Revenue decreased by 9% to RM31.85 million. Associates contributed higher net profit of RM4.72 million against RM2.64 million due to higher operating profit and gain from disposal of electricity quota.

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

The Group revenue increased from RM12.58 million to RM15.75 million, representing growth of RM3.17 million or 25%, due to improved consumer sales from Bedding Malaysia operation. The Group recorded lower PBT of RM2.34 million for the current quarter compared to RM6.12 million in the immediate preceding quarter mainly due to one time gains recorded in preceding quarter.

B3 Current Year Prospects

Malaysia's economy is expected to continue to rebound as the nation is moving toward endemic phase of COVID-19. Opening of country's international borders and full opening of domestic economy are expected to spur economic activity and consumer spending. The Group remain optimistic that consumers' confidence will improve.

The Group will continue to enhance productivity excellence with cost optimisation in order to achieve sustainable growth.

B4 Achievability of Forecast Profit

This note is not applicable.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB

B5 Variance of Actual Profit from Forecast Profit or Profit Guarantee

This note is not applicable.

B6 Notes to the Condensed Consolidated Statement of Profit or Loss

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

	Current Quarter Ended <u>31/03/2022</u> RM'000	Comparative Quarter Ended <u>31/03/2021</u> RM'000	9 Months Cumulative To Date <u>31/03/2022</u> RM'000	9 Months Cumulative To Date <u>31/03/2021</u> RM'000
Accretion of discount on financial asset at amortised cost	(9)	(2)	(19)	(8)
Amortisation of intangible assets	9	5	26	33
Depreciation of property, plant and equipment	107	108	315	315
Depreciation of right-of-use assets	245	227	645	678
Gain on disposal of property, plant and equipment	-	-	-	(3)
Gain on modification of leases	-	(4)	-	(4)
Impairment loss on trade receivables	-	-	236	43
Interest expense on lease liabilities	35	46	97	144
Interest income	(962)	(879)	(2,812)	(2,831)
Loss on foreign exchange	-	-	-	23
Reversal of impairment loss on trade receivables	(1)	(150)	(5)	(150)

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>31/03/2022</u> RM'000	Comparative Quarter Ended <u>31/03/2021</u> RM'000	9 Months Cumulative To Date <u>31/03/2022</u> RM'000	9 Months Cumulative To Date <u>31/03/2021</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	512	399	896	1,391
- Foreign	-	1	302	289
Total tax expense	512	400	1,198	1,680

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 March 2022.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 31 March 2022.

B11 Changes in Material Litigation

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

B12 Dividend Proposed or Declared

No interim dividend has been recommended by the Board of Directors in respect of the current quarter and financial year-to-date.

B13 Earnings 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>31/03/2022</u> RM'000	Comparative Quarter Ended <u>31/03/2021</u> RM'000	9 Months Cumulative To Date <u>31/03/2022</u> RM'000	9 Months Cumulative To Date <u>31/03/2021</u> RM'000
Net profit attributable to owners of the parent	<u>1,493</u>	<u>1,476</u>	<u>4,740</u>	<u>2,303</u>

By Order of the Board
FACB INDUSTRIES INCORPORATED BERHAD

Lee Boo Tian
LS 0007987
PC NO. 202008002588
Group Company Secretary

Kuala Lumpur
Date: 25 May 2022