



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME For The Fourth Quarter Ended 30 June 2017**  
*(The figures have not been audited)*

	<b>Current Quarter Ended 30/06/2017 RM'000</b>	<b>Comparative Quarter Ended 30/06/2016 RM'000</b>	<b>Current Year Ended 30/06/2017 RM'000</b>	<b>Comparative Year Ended 30/06/2016 RM'000</b>
Revenue	14,947	15,008	55,789	51,859
Direct operating costs	(10,209)	(11,226)	(38,909)	(37,462)
Gross profit	4,738	3,782	16,880	14,397
Other income	2,117	2,998	12,694	8,142
Operating expenses	(4,814)	(4,616)	(17,961)	(17,749)
Share of results of associates	(589)	547	1,792	3,747
Profit before tax	1,452	2,711	13,405	8,537
Taxation	(656)	(598)	(2,282)	(2,182)
Net profit for the period	796	2,113	11,123	6,355
Other comprehensive income:				
Foreign currency translation differences	(1,037)	1,024	(476)	1,405
Fair value adjustment of available-for-sale ("AFS") investment	(3,392)	(1,696)	1,696	(1,696)
Total comprehensive income for the period	(3,633)	1,441	12,343	6,064
Profit/(Loss) attributable to:				
Owners of the parent	858	1,741	8,516	4,642
Non-controlling interests	(62)	372	2,607	1,713
	796	2,113	11,123	6,355
Total comprehensive income attributable to:				
Owners of the parent	(3,129)	940	10,002	4,054
Non-controlling interests	(504)	501	2,341	2,010
	(3,633)	1,441	12,343	6,064
Earnings per share for profit attributable to owners of the parent:				
Basic (sen)	1.02	2.07	10.15	5.53
Diluted	N/A	N/A	N/A	N/A

**(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 2016)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 30 June 2017**

	Unaudited As At 30/06/2017 RM'000	Audited As At 30/06/2016 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	5,283	5,632
Investment in associates	24,653	24,560
Available-for-sale investment	20,351	18,655
Deferred tax assets	1,100	885
	51,387	49,732
<b>Current Assets</b>		
Inventories	13,665	12,175
Trade and other receivables	14,099	16,889
Deposits, cash and bank balances	160,544	156,385
	188,308	185,449
<b>Total Assets</b>	239,695	235,181
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	85,163	85,163
Share premium	28,989	28,989
Treasury shares	(1,225)	(1,225)
Other reserves	(12,164)	(11,839)
Retained earnings	112,657	106,238
Equity attributable to owners of the parent	213,420	207,326
Non-controlling interests	18,582	16,381
<b>Total equity</b>	232,002	223,707
<b>Non-Current Liability</b>		
Deferred tax liabilities	150	119
	150	119
<b>Current Liabilities</b>		
Trade and other payables	7,332	11,187
Tax liabilities	211	168
	7,543	11,355
<b>Total liabilities</b>	7,693	11,474
<b>Total Equity and Liabilities</b>	239,695	235,181
Net Assets per share (RM)	2.54	2.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For The Year Ended 30 June 2017***(The figures have not been audited)*

	← Attributable to Owners of the Parent →					Total	Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Earnings			
<b>In RM'000</b>								
<b>Balance at 30 June 2016</b>	85,163	(1,225)	28,989	(11,839)	106,238	207,326	16,381	223,707
Net profit for the year	-	-	-	-	8,516	8,516	2,607	11,123
Other comprehensive income								
- Foreign currency translation differences	-	-	-	(210)	-	(210)	(266)	(476)
- Fair value adjustment of AFS investment	-	-	-	1,696	-	1,696	-	1,696
Total comprehensive income for the year	-	-	-	1,486	8,516	10,002	2,341	12,343
Dividends paid	-	-	-	-	(2,097)	(2,097)	-	(2,097)
Dividends to non-controlling interest of a subsidiary	-	-	-	-	-	-	(140)	(140)
Deregistration of a subsidiary	-	-	-	(1,811)	-	(1,811)	-	(1,811)
<b>Balance at 30 June 2017</b>	<b>85,163</b>	<b>(1,225)</b>	<b>28,989</b>	<b>(12,164)</b>	<b>112,657</b>	<b>213,420</b>	<b>18,582</b>	<b>232,002</b>
<b>Balance at 30 June 2015</b>	85,163	(1,225)	28,989	(10,586)	103,459	205,800	18,643	224,443
Net profit for the year	-	-	-	-	4,642	4,642	1,713	6,355
Other comprehensive income								
- Foreign currency translation differences	-	-	-	1,108	-	1,108	297	1,405
- Fair value adjustment of AFS investment	-	-	-	(1,696)	-	(1,696)	-	(1,696)
Total comprehensive income for the year	-	-	-	(588)	4,642	4,054	2,010	6,064
Dividends paid	-	-	-	-	(2,097)	(2,097)	-	(2,097)
Dividends to non-controlling interests of a subsidiary	-	-	-	-	-	-	(3,465)	(3,465)
Deregistration of a subsidiary	-	-	-	(665)	234	(431)	(807)	(1,238)
<b>Balance at 30 June 2016</b>	<b>85,163</b>	<b>(1,225)</b>	<b>28,989</b>	<b>(11,839)</b>	<b>106,238</b>	<b>207,326</b>	<b>16,381</b>	<b>223,707</b>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For The Year Ended 30 June 2017***(The figures have not been audited)*

	<b>Current Year Ended 30/06/2017 RM'000</b>	<b>Comparative Year Ended 30/06/2016 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	13,405	8,537
Adjustments for :-		
Share of results of associates	(1,792)	(3,747)
Depreciation of property, plant and equipment	712	700
Impairment loss on trade receivables	696	774
Interest income	(5,886)	(5,794)
Inventories written down	191	77
Gain on deregistration of a subsidiary	(1,811)	(517)
Gain on disposal of property, plant and equipment	-	(4)
Reversal of impairment loss on trade receivables	(270)	(742)
Reversal of write down of inventories	(102)	(170)
Other non-cash items	4	26
Operating profit/(loss) before working capital changes	5,147	(860)
Net changes in current assets	883	2,202
Net changes in current liabilities	(3,857)	814
Cash generated from operations	2,173	2,156
Interest received	5,904	5,507
Income tax paid	(2,546)	(2,247)
Net cash generated from operating activities	5,531	5,416
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(364)	(475)
Proceeds from disposal of property, plant and equipment	1	4
Dividend received from associates	1,225	7,131
Net cash outflow on deregistration of a subsidiary	-	(721)
Net cash generated from investing activities	862	5,939
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(2,097)	(2,097)
Dividends paid to non-controlling interest by a subsidiary	(140)	(3,465)
Net cash used in financing activities	(2,237)	(5,562)
Net increase in cash and cash equivalents	4,156	5,793
Effects of exchange rate changes	3	(9)
Cash and cash equivalents at the beginning of the year	154,815	149,031
Cash and cash equivalents at the end of the year	158,974	154,815
Cash and cash equivalents comprise :-		
Deposits with licensed financial institutions	155,299	150,860
Cash and bank balances	5,245	5,525
	160,544	156,385
Deposits pledged to licensed bank	(1,570)	(1,570)
	158,974	154,815

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016)**

**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 on 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 on 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 2016.

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 2016.

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

	<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014-2016 Cycle :	
• Amendments to MFRS12 Disclosure of Interests in Other Entities	1 January 2017
• Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
• Amendments to MFRS 128 Investments in Associates and Joint Ventures	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15 Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above MFRSs when they become effective.

Note : \*Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

**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 2016 was not qualified.

**A3 Seasonal or Cyclical Factors**

The Group's operations for the current quarter and financial year ended 30 June 2017 were not materially affected by any seasonal or cyclical factors.

**A4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year ended 30 June 2017.

**A5 Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts reported in the previous interim period of the current financial year or changes in estimate of amounts reported in the previous financial years which have a material effect in the current quarter or the current financial year ended 30 June 2017.

**A6 Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 June 2017, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

**A7 Dividend Paid**

(a) No dividend was paid during the current quarter.

(b) Total net dividend paid during the current financial year ended 30 June 2017 was a final single-tier dividend of 2.5% per ordinary share of RM1 each amounting to RM2,097,070 in respect of financial year ended 30 June 2016.

**A8 Reportable Segments**

	<u>Bedding</u>	<u>Steel</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For Current Year</b>					
<b>Ended 30 June 2017</b>					
External revenue	40,525	15,264	-	-	55,789
Inter-segment revenue	-	-	43	(43)	-
	<u>40,525</u>	<u>15,264</u>	<u>43</u>	<u>(43)</u>	<u>55,789</u>
Segment results:					
Interest income	43	14	5,829	-	5,886
Depreciation	335	375	2	-	712
Reportable segment profit/(loss) before tax	1,341	(774)	11,046	-	11,613
Share of results of associates	(60)	-	1,852	-	1,792
Profit/(Loss) before tax	<u>1,281</u>	<u>(774)</u>	<u>12,898</u>	<u>-</u>	<u>13,405</u>

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

	<u>Bedding</u>	<u>Steel</u>	<u>All Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For Comparative Year Ended 30 June 2016</b>					
External revenue	38,230	13,629	-	-	51,859
Inter-segment revenue	-	-	43	(43)	-
	<u>38,230</u>	<u>13,629</u>	<u>43</u>	<u>(43)</u>	<u>51,859</u>
Segment results:					
Interest income	50	16	5,728	-	5,794
Depreciation	329	370	1	-	700
Reportable segment profit/(loss) before tax	2,582	(3,091)	5,299	-	4,790
Share of results of associates	415	-	3,332	-	3,747
Profit/(Loss) before tax	<u>2,997</u>	<u>(3,091)</u>	<u>8,631</u>	<u>-</u>	<u>8,537</u>

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

There were no material events from the end of the quarter under review to 18 August 2017 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the current quarter and financial year ended 30 June 2017.

**A10 Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year ended 30 June 2017 except as disclosed below.

On 6 February 2017, the Company announced that its wholly-owned subsidiary, Global Glistar Limited ("GGL") which was incorporated in Hong Kong has been deregistered on 27 January 2017 by Companies Registry in Hong Kong. Thus, GGL ceased to be a subsidiary of the Company.

The effect of deregistration of GGL on the financial position of the Group was as follows:-

	RM'000
Net asset	-
Less : Realisation of foreign currency translation reserve	<u>(1,811)</u>
Share of liability	(1,811)
Add : Gain on deregistration	<u>1,811</u>
Effect on deregistration of a subsidiary	<u>-</u>

**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)****A12 Other Event**

On 26 July 2017, the Company announced that notices pursuant to Section 308(4) of the Companies Act, 1965 were received from Companies Commission of Malaysia on the striking-off of the following six subsidiaries (“Relevant Subsidiaries”):-

- (a) Creation Holdings Berhad
- (b) Estasi Stainlessware Sdn Bhd
- (c) Kanzen Chuzoo Sdn Bhd
- (d) Kanzen Hartanah Sdn Bhd
- (e) Kanzen Land Sdn Bhd
- (f) Kanzen Properties Sdn Bhd

The Relevant Subsidiaries are incorporated in Malaysia and dormant. The striking-off of the Relevant Subsidiaries is not expected to have any material effect on the net assets and earnings of the Company for the financial year ending 30 June 2018.

**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 of RM1.45 million on the back of RM14.95 million in revenue as compared to a profit before tax of RM2.71 million and revenue of RM15.01 million in the preceding year comparative quarter.

The bedding operation in Malaysia recorded lower profit before tax as a result of declined revenue and gross profit margin which was affected by higher raw material costs. The stainless steel fittings operation’s reduced loss before tax was attributable to better average selling price. Loss in associates in China was mainly due to impairment loss on plant and equipment in the power business.

- (b) Current Year vs Preceding Year Comparative Year

For the current financial year ended 30 June 2017, the Group achieved a higher profit before tax of RM13.41 million compared with RM8.54 million in the preceding financial year. Revenue rose by 8% to RM55.79 million.

The bedding operation in Malaysia reported lower profit before tax for the year albeit a 5% increase in revenue. Its gross profit margin was adversely affected by increased raw material costs in the second half of the financial year. The stainless steel fittings operation posted a lower loss before tax due to improved selling price and gross profit margin. Lower profit contribution from associates in China mainly due to second quarter’s losses and impairment loss on plant and equipment in the power business. Higher other income was primarily due to incentives received by the associates in Jiangyin and gain on deregistration of a subsidiary in Hong Kong.



**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB****B2 Comparison with the Immediate Preceding Quarter's Results**

The Group registered higher revenue of RM14.95 million for the current quarter compared with RM13.85 million registered in the immediate preceding quarter ended 31 March 2017 attributable to growth in bedding revenue. Higher profit before tax of RM8.42 million recorded in the immediate preceding quarter versus current quarter of RM1.45 million was mainly due to incentives received by the associates in Jiangyin and gain on deregistration of a subsidiary in Hong Kong.

**B3 Prospects of Next Financial Year**

According to World Bank, Malaysian economy is expected to grow by 4.9 percent at the end of 2017, with private consumption as the main growth engine. There are uncertainties about global policies on trade and interest rates, which pose potential risks.

The bedding operation will continue to build on “Dreamland” and “Chiro” brands. Marketing strategy and products will be enhanced to improve sales and performance. More effective and timely cost management will be put in place 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.

**B6 Notes to the Condensed Consolidated Statement of Profit or Loss**

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

	Current Quarter Ended <u>30/06/2017</u> RM'000	Comparative Quarter Ended <u>30/06/2016</u> RM'000	Current Year Ended <u>30/06/2017</u> RM'000	Comparative Year Ended <u>30/06/2016</u> RM'000
Depreciation of property, plant and equipment	181	180	712	700
Impairment loss on trade receivables	487	713	696	774
Inventories written down	191	77	191	77
Loss/(Gain) on foreign Exchange	41	(6)	(172)	(111)
Bad debts recovered	-	(17)	-	(17)
Gain on deregistration of a subsidiary	-	-	(1,811)	(517)
Gain on disposal of property, plant and equipment	-	-	-	(4)
Interest income	(1,471)	(1,492)	(5,886)	(5,794)
Reversal of impairment loss on trade receivables	(270)	(742)	(270)	(742)
Reversal of write down of inventories	(102)	(170)	(102)	(170)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB****B6 Notes to the Condensed Consolidated Statement of Profit or Loss (cont'd)**

Apart from the above, there were no interest expense, 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 exceptional item for the current quarter and financial year ended 30 June 2017.

**B7 Taxation**

Taxation comprises the following:-

	Current Quarter Ended <u>30/06/2017</u> RM'000	Comparative Quarter Ended <u>30/06/2016</u> RM'000	Current Year Ended <u>30/06/2017</u> RM'000	Comparative Year Ended <u>30/06/2016</u> RM'000
<u>Current tax</u>				
Current year - Malaysia	754	502	1,836	1,563
- Foreign	127	23	569	539
(Over)/Underprovision in prior year - Malaysia	(41)	(51)	61	(44)
<u>Deferred tax - Malaysia</u>				
Origination and reversal of temporary differences	(184)	124	(184)	124
Total tax expense	656	598	2,282	2,182

The effective tax rate of the Group (excluding the share of results of associates) for the current quarter was higher than the statutory rate due principally to certain expenses not being deductible for tax purposes. As for the financial year ended 30 June 2017, the effective tax rate of the Group (excluding the share of results of associates) was lower than the statutory rate due principally to certain income which is not subject to tax.

**B8 Status of Corporate Proposals**

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

**B9 Group Borrowing**

There was no borrowing as at 30 June 2017.

**B10 Derivative Financial Instruments**

The Group has no outstanding derivative financial instruments as at 30 June 2017.

**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**

The Directors recommend a final single-tier dividend of 4 sen per ordinary share in respect of the financial year ended 30 June 2017, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements do not reflect this proposed dividend which will be recognised as an appropriation of retained earnings in the financial year ending 30 June 2018 when approved by shareholders.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB****B13 Earnings per Share**

The earnings per share (basic) for the current quarter and financial year ended 30 June 2017 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.

**B14 Realised and Unrealised Profits or Losses**

	As at <u>30/06/2017</u> RM'000	As at <u>30/06/2016</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	109,506	103,498
- Unrealised	845	647
	<u>110,351</u>	<u>104,145</u>
Total share of retained profits from associates		
- Realised	2,383	2,177
- Unrealised	-	-
	<u>112,734</u>	<u>106,322</u>
Consolidation adjustments	(77)	(84)
Total Group retained profits as per unaudited consolidated financial statements	<u><u>112,657</u></u>	<u><u>106,238</u></u>

By Order of the Board

**FACB INDUSTRIES INCORPORATED BERHAD**

LEE BOO TIAN (LS 0007987)

Group Company Secretary

Kuala Lumpur

Date : 23 August 2017