

FACB INDUSTRIES INCORPORATED BERHADANNUAL REPORT 2025

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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

CHIEF EXECUTIVE OFFICER

Mr Lim Kam Choy

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 Email : 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

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 44, Male, Malaysian
- Appointed to the Board on 1 August 2007
- Appointed as Chairman on 2 August 2023
- Graduated with a 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 78, 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 a 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 57, 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 35 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 from 2008 to 2010 and Chief Financial Officer of FACB Industries Incorporated Berhad from 2000 to 2008
- Currently, he is the Chief Financial Officer of PixIr Group since 1 March 2023, transferred from Inmagine Group in which he was the Chief Financial Officer between 1 March 2019 and 31 October 2023
- He is an Independent Non-Executive Director of Naga Corp Ltd a company listed on the Hong Kong Stock Exchange since 10 September 2018 and an Independent Non-Executive Director of Swift Energy Technology Berhad, a company listed on Bursa Malaysia Securities Berhad since 2 February 2024.

Profiles of the Directors and Key Senior Management

MICHAEL LAI KAI JIN

Independent Non-Executive Director

- Aged 56, 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 designated as Independent Non-Executive Director on 6 April 2011

TEE MENG KWANG

Independent Non-Executive Director

- Aged 47, Male, Malaysian
- Appointed to the Board on 2 August 2023
- Chairman of Remuneration Committee and a member of Audit and Nominating Committees
- Graduated with a 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

LIM KAM CHOY

Chief Executive Officer

- Aged 58, 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 an 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

Profiles of the Directors and Key Senior Management

BONG SHEE CHENG

Chief Financial Officer

- Aged 68, 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 69, 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 or 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.



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 2025 ("FY2025").

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.

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 FY2025 as compared to FY2024 is as follows: -

	FY2025 RM'000	FY2024 RM'000	Increase/ (Decrease) RM'000	%
Revenue	33,524	45,737	(12,213)	(26.7)
Gross profit	12,833	18,903	(6,070)	(32.1)
Profit before tax	5,685	10,147	(4,462)	(44.0)
Profit after tax	4,296	8,118	(3,822)	(47.1)
Profit attributable to owners of the parent	3,777	6,821	(3,044)	(44.6)
Total assets	240,628	243,901	(3,273)	(1.3)
Equity attributable to owners of the parent	218,128	218,298	(170)	(0.1)
Net assets per share attributable to owners of the parent (RM)	2.60	2.60	_	-
Earnings per share (sen)	4.50	8.13	(3.63)	(44.6)

For FY2025, the Group recorded a decrease in revenue by 26.7% to RM33.52 million as compared to RM45.74 million in the preceding financial year. The decrease in revenue was due to the decline in revenue by 26.7% in the bedding operations. The decrease in revenue was mainly due to lower consumer sales.

The Group recorded a profit before tax of RM5.69 million for the current financial year, 44.0% lower compared to RM10.15 million in the preceding financial year. The lower profit before tax for the current financial year was mainly due to lower revenue recorded and higher sales mix of lower gross profit margin products in the bedding operations. Lower share of profit was also recorded by associates in China. Share of results of associates recorded a lower profit of RM1.73 million in the current financial year compared to RM2.48 million in the preceding year. Lower share of profit of the associates was mainly due to lower operating margin in the current financial year. The bedding operation in Malaysia reported a lower pre-tax profit of RM0.73 million as compared to RM4.33 million in the preceding year.

FINANCIAL RESULTS AND FINANCIAL CONDITION REVIEW (continued)

Review of the financial results by segment

	Revenue			Profit/(Loss) before tax		
	FY2025 RM'000	FY2024 RM'000	Increase (Decrease)	FY2025 RM'000	FY2024 RM'000	Increase (Decrease) %
Bedding	33,524	45,737	(26.7)	637	4,311	(85.2)
Other operations	_	_	_	5,048	5,836	(13.5)
	33,524	45,737	(26.7)	5,685	10,147	(44.0)

Bedding segment

The bedding segment recorded a decrease in revenue by 26.7% to RM33.52 million as compared to RM45.74 million in the preceding financial year. The decrease in revenue was due to the decline in revenue by 26.9% in the bedding operation in Malaysia. Revenue for the bedding operation in Malaysia decreased by 26.9% to RM32.23 million as compared to RM44.09 million in the preceding year due to lower consumer sales, and recorded a profit before tax of RM0.73 million as compared to RM4.33 million in the preceding year. The bedding operation in China recorded loss before tax of RM0.10 million as compared to loss before tax of RM0.02 million in the preceding financial year mainly due to lower revenue and higher operating expenses incurred.



Other operations

This segment recorded a lower profit before tax of RM5.05 million as compared to RM5.84 million in the preceding financial year. Share of results of associates recorded a lower profit of RM1.73 million in the current financial year compared to RM2.48 million in the preceding financial year. Lower share of profit of the associates in the current financial year was mainly due to lower operating margin and lower reversal of impairment loss on plant and equipment totalled RM0.38 million as compared to RM0.47 million in the preceding financial year. For this current financial year, the investment division recorded a lower profit of RM3.32 million as compared to RM3.35 million in the preceding financial year mainly due to higher operating expenses incurred. It was mitigated by higher interest income of RM6.36 million compared to RM6.25 million in the preceding financial year and also a gain on derecognition of an associate amounted to RM0.50million.

BUSINESS AND OPERATIONAL REVIEW

Bedding Division

Bedding operation in Malaysia

FY2025 was a challenging year for Restonic Group, marked by changing market conditions and shifts in customer demand. The Group recorded total sales of RM32.2 million, compared to RM44.1 million in FY2024, reflecting a 27% decline. This was mainly due to softer consumer sentiment and reduced event-based activities.

Consumer sales fell 28% year on year, with the most notable drop in Amway Malaysia as their sales was adversely affected by weakening consumer demand, especially for health and wellness products and home appliances. Event sales for both Dreamland and Sleepmaker brands were also lower as the exhibitions and roadshows faced stiff competition from new brands in the market.

Project sales closed the year with a 13% decrease, largely driven by slower local project rollouts in the construction and hospitality sectors. However, the project export sales rose sharply, boosted by a one-off overseas order.



Despite these challenges, several segments delivered encouraging growth. A new local dealer contributed RM1.8 million sales in its first year and Singapore dealers recorded triple digit percentage gains, demonstrating the potential of targeted market expansion.

Bedding operation in China

As our bedding business of Dreamland Marketing (Shanghai) Co. Ltd. ("DMS") is directly impacted by domestic demand and consumption pattern, the current high household saving (32% of disposable income) reflecting a subdued confidence and cautious spending among consumers. Continuous decline in property sales and new residential construction further added to the slump in domestic demand for household furnishing products. Household wealth has generally eroded due to the slump in property sector, further reduced household confidence and increased savings as a buffer.

Other operations

The Jiangyin power plants associates in China recorded lower share of profit mainly due to lower steam demand and increase in average operating cost caused by high steam wastage.

LIQUIDITY AND CAPITAL MANAGEMENT

As at 30 June 2025, the non-current assets of the Group amounted to RM79.15 million, an increase of RM9.36 million from the preceding financial year. These were mainly due to investment in government bond at nominal value of RM20.00 million and netted against the redemption of government bond of RM10.00 million with maturity date on 14 March 2025. Current assets decreased by RM12.64 million to RM161.48 million mainly due to decrease of RM18.89 million in cash and cash equivalents for the investment in government bond at nominal value of RM20.00 million (as above-mentioned) and also purchase of short-term investment fund of RM6.08 million. The



Group's total liabilities amounted to RM7.79 million, a decrease of RM2.05 million from the preceding financial year mainly due to a decrease in contract liability. The Group's total shareholder's fund stood at RM218.13 million.

BUSINESS OUTLOOK FOR FY2026

FY2026 is expected to remain challenging, with no clear signs of a broad-based recovery in consumer spending. Persistent inflationary pressures and elevated living costs are likely to continue eroding household purchasing power. Consumers are expected to be highly selective, directing their budgets towards essential goods and services while delaying or reducing discretionary purchases. This trend will particularly impact the bedding and furnishing segment, where purchase decisions can be postponed or replaced with more affordable alternatives.

China's economy in 2024 moving into H1 2025 demonstrated resilience amid global uncertainties, achieving a 5.3% year-on-year GDP growth driven by robust industrial output, export strength, and targeted investments. However, domestic consumption and real estate sectors remained weak, reflecting a two-speed economy. While real GDP growth was strong, nominal growth was slower at 3.9%, highlighting deflationary pressure. Such deflationary pressure combined with intense competition has led to a decline in industrial profits.

DIVIDEND

The Board of Directors do not recommend any payment of dividend in respect of the financial year ended 30 June 2025.



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 2025 ("FY2025"). 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 ("MLR") 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 2025. 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 2024 to 30 June 2025.

1.5 FORWARD-LOOKING STATEMENTS

The Group have 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.

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
- manufacturer, wholesaler, and retailer of bedding products which includes mattresses, accessories and other bed-related furniture
- wholesaler and retailer 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 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.

2.2 GOVERNANCE STRUCTURE

Board of Directors	Board level oversight of the Group's sustainability objectives, provide directions to ensure alignment between the business model and objectives with sustainability matters.
Audit Committee	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.
ESG Working Group	Carry out implementation of the sustainability strategies and plans involving ESG data

2.3 OUR STAKEHOLDERS

FACBII continues 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	 Website and social media Marketing events Training sessions Mobile and email communications Audits Surveys Face-to-face interactions 	 Quality products and services Product knowledge Brand value Fair pricing Timely delivery Good after-sales service Superior technology Customer data protection 	 Product responsibility and quality Quality in goods and services Product innovation Brand value Engagement and communication Data privacy and security 	Enhanced customer satisfaction Enhanced brand value Increased knowledge in bedding products Protection of customer data
2	Employees	 Internal communications Company events Training and development Meetings 	Secure employment Conducive work place Training and development Social responsibility	 Occupational health and safety Fair employment practices Training and development Community engagement 	A safe and secured workplace Employees are continuously trained Community investment

2.3 OUR STAKEHOLDERS (continued)

No	Stakeholder	Engagement approaches	Needs and expectations	Relevant material topics	Outcomes, value created
3	Suppliers	Mobile and email communications Face-to-face interactions	Compliance to specifications Honour agreements Fair price Planning and communication for stocks or	Supply chain Ethical business conduct	Reliable suppliers Quality control benchmarking process Forward
			parts availability		planning, communication
4	Media	Mobile and email communicationsFace-to-face interactions	Clear communications Shared values	Brand value Communication of FACBII values	Enhanced credibility and communications
5	Investors or shareholders	 Website and social media Quarterly financial results Annual Reports Press releases Meetings 	Good reputationProfitabilityCompliance	Financial performance Ethical business conduct	Engagement to deliver credible information
6	Authorities	 Mobile and email communications Site visits and inspections Surveys Meetings 	Demonstration of compliance Responsive communications and actions	Compliance to laws and regulations Ethical business conduct	Demonstration of continued compliance with laws and regulations

2.4 OUR MATERIAL TOPICS

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

Stakeholders engagement	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.
Identification of material matters	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.

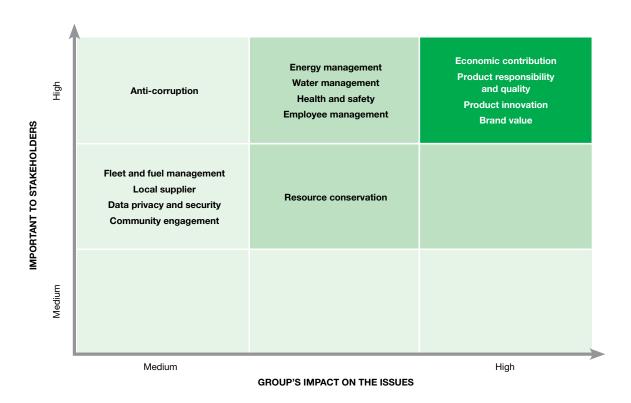
2.4 OUR MATERIAL TOPICS (continued)

List of material matters	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.
Develop materiality matrix	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.

In FY2025, the management has conducted an internal assessment to re-evaluate the material sustainability matters identified previously, and to consider any new material topics relevant to our business and stakeholders. As a result, the management has come out with a revised material sustainability matters.

2.5 PRIORITISED MATERIALITY TOPICS

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



2.5 PRIORITISED MATERIALITY TOPICS (continued)

2.5.1 Summary list of prioritised material topics

The Group's revised prioritised sustainability matters framed into four key pillars namely Economic, Environment, Social and Governance are presented below.

Economic	Environment	Social	Governance
Economic contribution	Energy management	Employee management	Anti-corruption Data privacy and
Product	Water management	Health and safety	security
responsibility and quality	Resource conservation	Community engagement	
Product innovation	Fleet and fuel		
Brand value	management		
Local supply			

2.5.2 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 conservation 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.

2.5 PRIORITISED MATERIALITY TOPICS (continued)

2.5.3 Alignment with United Nations Sustainable Development Goals (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 six 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), Sustainable Cities and Communities (SDG11), Responsible Consumption and Production (SDG12) and Peace, Justice and Strong Institutions (SDG16).

	Material Topics	FACBII's alignment to SDGs	Goals / Targets
Economic	 Economic contribution. Product responsibility and quality. Product Innovation. Brand value. Local supply. 	We are committed to create long term economic value through our business operations. We believe our products support our customers' sleep experience, helping to support their health and well-being. We continue to drive innovation by working closely with our partners and supply chain.	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INMONATION AND INFRASTRUCTURE
Environment	 Energy management. Water management. Resource conservation. Fleet and fuel management. 	We are committed to manufacturing and operational practices which supports reduction in wastes generation based on the principles of prevention, reduction, recycling and reuse.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social	 Employee management. Health and safety. Community engagement. 	We are committed to invest into our employees through training and development, and offer competitive remuneration and benefits. We are committed to build stronger relationship with the community and contribute to their overall health and well-being.	8 DECENT WORK AND 11 RUSSAMMANIE CHRIS- AND COMMUNITIES
Governance	Anti-corruption.Data privacy and protection.	We are committed to practice good governance and ensure our operations are conducted with the highest standards of integrity and accountability.	16 FEACE, RISTICE AND STRONG INSTITUTIONS

3.0 ECONOMIC

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 FY2025 and the last two financial years are below.

Economic Contributions (in RM)	FY2023	FY2024	FY2025
Revenue	46,552,749	45,737,288	33,524,173
Salaries, wages and emoluments	12,756,530	11,236,798	10,835,961
Suppliers*	41,734,770	38,859,159	28,485,431
Government income taxes	656,795	2,029,447	1,389,400
Dividends to shareholders	2,180,952	1,426,007	1,677,656
Shareholders' funds	216,193,213	218,297,608	218,127,764

^{*}based on purchase order issued

3.2 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 and FY2025.

3.3 PRODUCT INNNOVATION

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

The Group's key technology provider in 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. Codesigned 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.

3.4 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 honoured with the prestigious "Gold" award by the Reader's Digest Trusted Brand Awards 2024, marking 16 consecutive years of recognition since the award's inception 27 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.

3.5 SUPPORTING LOCAL SUPPLIERS

FACBII supports sustainable supply chains and promotes the growth of local businesses as this will create more job opportunities. This approach supports the Group's business strategy through the years as well as provides efficiency and productivity. Furthermore, the reduction in distance of materials and products travel will reduce emissions, contributing to environmental conservation. Local suppliers, referring to those from Malaysia, are prioritised wherever possible.

The local supplier spending was 92% of the total spending for FY2025.

	FY2024	FY2025
Proportion of spending on local suppliers	89%	92%

4.0 ENVIRONMENT

4.1 ENERGY MANAGEMENT

As energy consumption will contribute to climate change, the Group endeavours to optimize the energy usage across its operations to reduce costs and minimize its environmental footprint. We do this by raising employee awareness and promoting a culture of energy conservation such as switching off lights and equipment when not in use.

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

				Energy Consumption Intensity	
Total Energy Consumption	Unit	FY2024	FY2025	FY2024	FY2025
Electricity	kWh	520,264	451,454	11.80	14.01
Liquified Petroleum Gas	Kg	9,964	3,998	0.23	0.12
Revenue	RM'000	44,090	32,234		

4.2 WATER MANAGEMENT

Recognizing water as a scare resource, the Group address this by raising awareness among employees on the importance of water conservation and promote water-saving habits to reduce wastage in their daily usage.

The water consumption by the Group is presented below. In addition, water consumption intensity*, as a function of revenue, measures the amount of water consumed per unit of revenue generated, providing insight into how efficiently the Group has used the water relative to its financial performance.

				Water Co	nsumption Intensity*
Total Water Consumption	Unit	FY2024	FY2025	FY2024	FY2025
Water	m³	3,883	3,420	0.09	0.11
Revenue	RM'000	44,090	32,234		

4.3 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.

4.4 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 had successfully replaced a diesel-powered forklift with a lithium-battery-powered model. In the current year however, the Group has yet to identify any suitable replacement. Though there is no new purchase, we remain committed to reduce our carbon footprint and will replace our assets whenever the opportunity arises,

5.0 SOCIAL

5.1 EMPLOYEE MANAGEMENT

FACBII is committed to providing a safe and conducive working environment for its 156 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.

	Number	
Total employees, by gender	FY2024	FY2025
Male	120	107
Female	57	49
Total	177	156

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.

	FY2024		FY2	2025
Total employees, by gender	Male (%)	Female (%)	Male (%)	Female (%)
Management	75	25	78	22
Executive	35	65	42	58
Non-executive	73	27	74	26

FY2025

Total employees, by age	Below 30 years (%)	30 – 50 years (%)	More than 50 years (%)
Management	0	11	89
Executive	12	34	54
Non-executive	22	44	34

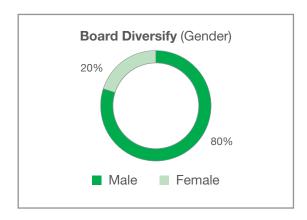
5.0 SOCIAL (continued)

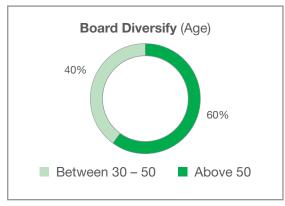
5.1 EMPLOYEE MANAGEMENT (continued)

FY2024

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

FACBII also value 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 on merit, experience, qualification, character, time commitment, integrity and contribution the candidates may bring to the Board. For FY2025, the Board diversity is same as previous year FY2024. There are five members on the Board, 20% of whom are female, and 40% aged below 50 and 60% above 50.





Recognising that investment in the workforce development is vital to business long term growth and success, the Group is committed to provide a range of training and development opportunities to its employees. Moreover, we foster a culture that encourages employees to pursue and request training based on their specific needs and interests, aligned with business needs.

	Hours of training	
Total hours of training by employee category	FY2024	FY2025
Management	18	85
Executive	183	268
Non-executive	413	860

5.0 SOCIAL (continued)

5.1 EMPLOYEE MANAGEMENT (continued)

	FY2024	FY2025
Percentage of employees that are contractors or temporary staff	0.6%	0.6%

The overall employee turnover reflects a stable workforce.

	Number	
Total number of employee turnover, by category	FY2024	FY2025
Management	0	0
Executive	3	2
Non-executive	20	27

The Group also believe in upholding the rights of its employees through adherence to the labour law and publication of an Employee Handbook, a document that outline the benefits and rights of each employee. As a result, there have been no complaints concerning human rights violations during FY2025.

	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0

5.2 HEALTH AND SAFETY

Maintaining a safe and heathy workplace not only protects our most valuable assets-our people, but also ensure a long-term sustainable operation. The Group 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.

Due to the Group's initiatives, there were no fatalities and no work-related incidents within our workforce during FY2025.

	Number of Employee	
Work-related Incidence	FY2024	FY2025
Fatalities	0	0
Injuries Requiring Hospitalization (Major)	0	0
Injuries Not Requiring Hospitalization (Minor)	0	0

5.0 SOCIAL (continued)

5.2 HEALTH AND SAFETY (continued)

	Number of Employee	
Training on health and safety standards	FY2024	FY2025
Number of employees trained on health and safety standards	27	23

5.3 COMMUNITY ENGAGEMENT

As a responsible corporate citizen, FACBII believes in giving back to the community and society at large. The Group views such responsibility as an opportunity to align its business practice with the broader goal of promoting social inclusion and create long-term sustainability, thus ensuring that we grow together with the local community.

Through its targeted Corporate Social Responsibility (CSR) initiatives for the year, the Group have made a meaningful contribution by donating a total amount of RM5,073 to two welfare centres. This donation was given in the form of essential groceries to support the centres' daily operation and its members.

	FY2024	FY2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	0	RM5,073
Total number of beneficiaries of the investment in communities	0	65

As we move forward, we aim to build a stronger relationship with the communities, contributing to their overall health and wellbeing through various CSR initiatives and programmes.



A visit to children's home



Donation of groceries to a handicapped welfare home

6.0 GOVERNANCE

6.1 ZERO TOLERANCE TO CORRUPTION APPROACH AND WHISTLEBLOWING

For FACBII, ensuring transparency and ethical business practices are important to safeguard the Group's reputation and gain stakeholders' trust. Therefore, the Group 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.

The Anti-Corruption Policy and Whistleblowing Policy are communicated to our employees Group-wide by posting on the bulletin board and 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 anti-corruption are as follows:

Employees who have received training on	Percent	age (%)
Employees who have received training on anti-corruption, by category	FY2024	FY2025
Management	89	89
Executive	96	88
Non-executive	97	98

During the year, 100% of the operations within the Group has been assessed for corruption-related risks. Due to the strong tone from the top there was no incident of corruption during FY2025.

	FY2024	FY2025
Percentage of operations assessed for corruption-related risks	100%	100%
	FY2024	FY2025

6.2 DATA PRIVACY AND SECURITY

FACBII recognise that a data breach or loss can have severe consequences on its business operations, corporate reputation and customers. That is why the Group place high priority in safeguarding the confidentiality and security of sensitive information especially its customer data.

To manage the risk of malware, unauthorised access and loss of data, the Group has put in place various security measures to protect the confidentiality and integrity of its customer data. Key measures include installation of firewall, anti-virus software, implement password control, regular data backup and maintenance of IT system.

6.0 GOVERNANCE (continued)

6.2 DATA PRIVACY AND SECURITY (continued)

Attributable to the security measures in place, there were no complaints concerning breaches of customer privacy and loss of customer data.

	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy and loss of customer data	0	0

7.0 SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	89.00	89.00
Executive	Percentage	96.00	88.00
Non-executive	Percentage	97.00	98.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	5,073.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	65
Bursa (Diversity)			
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	0.00
Management Between 30-50	Percentage	13.00	11.00
Management Above 50	Percentage	87.00	89.00
Executive Under 30	Percentage	8.00	12.00
Executive Between 30-50	Percentage	42.00	34.00
Executive Above 50	Percentage	50.00	54.00
Non-executive Under 30	Percentage	24.00	22.00
Non-executive Between 30-50	Percentage	43.00	44.00
Non-executive Above 50	Percentage	33.00	34.00
Gender Group by Employee Category			
Management Male	Percentage	75.00	78.00
Management Female	Percentage	25.00	22.00
Executive Male	Percentage	35.00	42.00
Executive Female	Percentage	65.00	58.00
Non-executive Male	Percentage	73.00	74.00
Non-executive Female	Percentage	27.00	26.00
Bursa C3(b) Percentage of directors by gender and age group			
		80.00	80.00
Male	Percentage		
	Percentage Percentage	20.00	20.00
Male		20.00	20.00
Male Female	Percentage		

(*)Restated

External assurance No assurance

Internal assurance

7.0 SUSTAINABILITY PERFORMANCE DATA (continued)

	Measurement Unit	2024	2025	
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	520.00	451.00	
Bursa (Health and safety)				
Bursa C5(a) Number of work- related fatalities	Number	0	0	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	
Bursa C5(c) Number of employees trained on health and safety standards	Number	27	23	
Bursa (Labour practices and standa	rds)			
Bursa C6(a) Total hours of training by employee category				
Management	Hours	18	85	
Executive	Hours	183	268	
Non-executive	Hours	413	860	
Bursa C6(b) Percentage of				
Bursa Cb(b) Percentage of employees that are contractors or temporary staff	Percentage	0.60	0.60	
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	0	
Executive	Number	3	2	
Non-executive	Number	20	27	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.00	92.00	
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	4.000000	3.000000	
Bursa (Waste management)#				
Bursa C10(a) Total waste generated	Metric tonnes	-	No Data Provided #	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	No Data Provided #	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	No Data Provided #	
Bursa (Emissions management)#				
Bursa C11(a) Scope 1 emissions in connes of CO2e	Metric tonnes	-	No Data Provided #	
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	No Data Provided #	
Bursa C11(c) Scope 3 emissions in tonnes of C02e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided *	



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 2025, 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 on the Company's website 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.

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 are 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. Mr Lim Kam Choy was 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.

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
- 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 2025 (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).

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 on the Company's corporate developments, financial results, business operations and sustainability, risk management as well as 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 2025.

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.

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 reviewed from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislation 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.

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.

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.

As a responsible corporate citizen, the Group believes in giving back to the community and society at large. The Group views such responsibility as an opportunity to align its business practice with the broader goal of promoting social inclusion and create long-term sustainability, thus ensuring that we grow together with the local community.

Through its targeted Corporate Social Responsibility ("CSR") initiatives for the year, the Group has made a meaningful contribution by donating to two welfare centres. This donation was given in the form of essential groceries to support the centres' daily operation and its members.

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.

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.

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

There were no new appointments during the financial year ended 30 June 2025. In compliant with the twelve (12) years tenure limit on independent directors under the 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. 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.

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 who had served more than nine (9) years resigned on 30 May 2023. Three (3) new independent directors were appointed subsequent to their resignations.

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.

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 28 May 2025 and deliberated, among others, on the following:

- 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

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 is 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.

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 28 May 2025.

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.

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 20 August 2024.

- 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.

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 places 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' Profiles of this Annual Report.

Continuing Education of Directors/Audit Committee Members

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 comply 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.

The Directors and Senior Management were updated regularly by the Group Internal Auditor on the developments and trends in Corporate Governance principles, best practices, local regulatory developments and sustainability. The Company Secretary re-directs emails 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. The training needs of the Directors will also be considered by the Board's Nominating Committee.

On 20 August 2024, ESG Associates Sdn Bhd was invited to brief FACBI Directors and Management on Sustainability Reporting of Bursa Malaysia, how the reporting applied to the FACBI Group and why the reporting was important to the FACBI Group and investors. On Sustainability Statement, the following areas were deliberated:

- (1) Anti-corruption;
- (2) Community / Society;
- (3) Diversity;
- (4) Energy Management;
- (5) Health and Safety;
- (6) Labour Practices and Standards;
- (7) Supply Chain Management;
- (8) Data Privacy and Security;
- (9) Water;
- (10) Waste Management; and
- (11) Emissions Management.

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).

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.

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 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 2024 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 2024 AGM. The Chairman 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 2024 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 2025.

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 are 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 having 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 Chief Executive Officer 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.
- 3. Adverse impact of economic slowdown.
- 4. Over-reliance on a single customer.
- 5. Succession planning.
- 6. Operational efficiency and sustainability.

Statement on Risk Management and Internal Control

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.

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 appraises and contributes 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, reviews the adequacy and effectiveness of the Company's risk management process and internal control systems. Relevant actions have been, or are being, taken as appropriate to remedy any internal control weaknesses identified from the reviews, which are largely based on 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 Chief Executive Officer 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.

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 2025 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.

DETAILS OF MEETINGS

The Audit Committee met four (4) times during the financial year ended 30 June 2025 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 fulfilling 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 RM94,297/- 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 2025.

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 2025.

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:

		Board M	leetings	
Directors	20.8.2024	27.11.2024	26.2.2025	28.5.2025
Chen Yiy Fon	$\sqrt{}$	$\sqrt{}$	V	V
Puan Sri Lee Chou Sarn	$\sqrt{}$	V	V	V
Leong Choong Wah	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
Michael Lai Kai Jin	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
Tee Meng Kwang	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
N/A Not Applicable √	Attended	>	Not atte	nded

2. REMUNERATION OF DIRECTORS AND TOP SENIOR MANAGEMENT

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

	Group			Company				
Description	Fees	Salaries and other Emoluments	Estimated Benefits- in-kind	Total	Fees	Salaries and other Emoluments	Estimated Benefits- in-kind	Total
Executive								
Chen Yiy Fon	-	157,564.10	-	157,564.10	-	-	-	-
Puan Sri Lee Chou Sarn	-	368,379.30	17,100.00	385,479.30	-	-	-	-
Non-Executive								
Leong Choong Wah	74,400.00	-	-	74,400.00	74,400.00	-	-	74,400.00
Michael Lai Kai Jin	74,400.00	-	-	74,400.00	74,400.00	-	-	74,400.00
Tee Meng Kwang	74,400.00	-	-	74,400.00	74,400.00	-	-	74,400.00
Total	223,200.00	525,943.40	17,100.00	766,243.40	223,200.00	-	-	223,200.00

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
RM350,001 to RM400,000	3
RM650,001 to RM700,000	1
Total	5

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	184,659	58,400
Non-audit fees	4,800	4,800
Total	189,459	63,200

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.

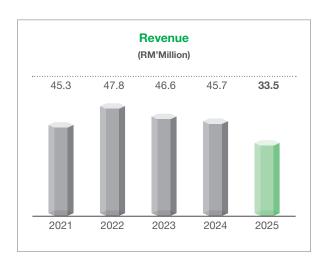
6. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

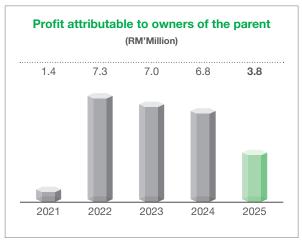
There were no material recurrent related party transactions of a revenue nature during the year.

These statements are made in accordance with a resolution of the Board of Directors dated 10 October 2025.

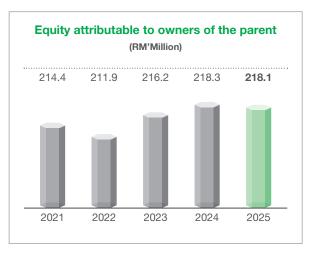
5 Years Group Financial Highlights

In RM'000	2021	2022	2023	2024	2025
Revenue	45,300	47,751	46,553	45,737	33,524
Profit before tax	3,383	12,235	8,936	10,147	5,685
Profit attributable to owners of the parent	1,417	7,298	7,017	6,821	3,777
Total assets	238,286	239,191	241,426	243,901	240,628
Equity attributable to owners of the parent	214,402	211,921	216,193	218,298	218,128
In RM					
Net assets per share attributable to owners of the parent	2.56	2.53	2.58	2.60	2.60
In Sen					
Earnings per share	1.69	8.70	8.36	8.13	4.50









FACB INDUSTRIES INCORPORATED BERHADANNUAL REPORT 2025

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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 2025.

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	4,295,917	2,917,124
Attributable to: Owners of the parent Non-controlling interests	3,777,449 518,468 4,295,917	2,917,124 - 2,917,124

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 2024:	
Final single-tier dividend of 2.0 sen per ordinary share, paid on 21 January 2025	1,677,656

The Directors do not recommend any payment of dividend in respect of the financial year ended 30 June 2025.

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 2025, 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

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
Lee Boo Tian
Lee Kok Loon
Tan Lian Cheng
Zhao Bin
Lim Kam Choy
Mej Jen (B) Dato' Jeyabalan A/L C. Sinnadurai
Dayana Rogayah binti Omar
(Alternate Director to Mej Jen (B)
Dato' Jeyabalan A/L C. Sinnadurai)
Goh Shaw Ching

(Appointed on 2 May 2025) (Resigned on 6 December 2024) (Resigned on 6 December 2024)

(Resigned on 30 September 2025)

^{*} Director of the Company and its subsidiaries

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 2025 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:

	⊦ N	umber of ordina	ry shares	
	At	D	0.14	At
	1.7.2024	Bought	Sold	30.6.2025
Shares in the Company				
Direct interest:				
Puan Sri Lee Chou Sarn	505,493	_	_	505,493
<u>Deemed interest:</u> Puan Sri Lee Chou Sarn*	25,299,389	_	_	25,299,389

^{*} 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' 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 2025 are as follows:

	Group RM	Company RM
Directors of the Company		
Non-executive Directors Directors' fees	223,200	223,200
Executive Directors Salaries, bonus and others Defined contribution plan Benefits-in-kind	509,203 16,740 17,100	_ _ _
	543,043	-
Directors of the subsidiaries Salaries, bonus, allowances and others Defined contribution plan Benefits-in-kind	975,439 90,904 22,125	653,924 78,072 22,125
	1,088,468	754,121
	1,854,711	977,321

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

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.

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 all known bad debts had been 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.

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.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 21 July 2025, the Board of Directors of the Company announced that the Board had received a notice of conditional voluntary take-over offer from UOB Kay Hian (M) Sdn. Bhd. (formerly known as UOB Kay Hian Securities (M) Sdn. Bhd.) served on behalf of Magni Vantage Limited ("Offeror"), a company incorporated in British Virgin Islands, to acquire all the 83,882,800 ordinary shares in the Company representing 100.00% of the total issued shares of the Company (excluding treasury shares) not already held by the Offeror and Mr Chen Yiy Fon ("Ultimate Offeror") for a cash offer price of RM1.60 per offer share.

Subsequently, as at the date of this report, the Offeror has acquired a total of 57.6% of the issued shares of the Company (excluding treasury shares), and accordingly, the Offeror has become the holding company of the Company.

AUDITORS

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

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 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	5,409	_
	189,459	63,200

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

•••••	• • • • • • • • • • • • • • • • • • • •
Puan Sri Lee Chou Sarn	Leong Choong Wah
Director	Director

Kuala Lumpur 10 October 2025

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 71 to 138 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 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

cash flows of the Group and of the Co	mpany 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 2025	
Statutory	
Declaration	
FACB Industries Incorporated Berhad, set out on pages 71 to 138 are, to t	the Officer primarily responsible for the financial management of do solemnly and sincerely declare that the financial statements the best of my knowledge and belief, correct and I make this elieving the same to be true and by virtue of the provisions of the
Subscribed and solemnly declared by the abovenamed at Kuala Lumpur, this 10 October 2025))) 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 2025 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 71 to 138.

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 2025, 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 ("ISAs"). 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 investment in unquoted shares

As at 30 June 2025, the carrying amounts of the investment in unquoted shares in Malaysia amounted to RM9,802,338 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)

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 ISAs, 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 PLT201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur 10 October 2025 Lee Wee Hoong 03316/07/2027 J Chartered Accountant

Statements of Financial Position

As at 30 June 2025

			Group	Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
	Note	LIVI	L/IAI	LINI	LIVI
ASSETS					
Non-current assets					
Property, plant and equipment	6	3,137,436	2,903,894	272,680	22,854
Right-of-use assets	7	1,968,401	1,549,044	606,472	94,058
Intangible assets Investments in subsidiaries	8 9	64,447	5,422	15,464,957	15,464,957
Investments in associates	10	21,820,147	23,615,305	15,404,957	15,404,957
Other investments	11	50,275,744	39,991,497	50,275,744	39,991,497
Other receivables	12	28,762	15,952	133,682	-
Deferred tax assets	13	1,852,819	1,702,504	_	_
		79,147,756	69,783,618	66,753,535	55,573,366
Current assets					
Inventories	14	5,786,416	6,230,977	_	_
Trade receivables	15	3,973,569	3,834,746	_	_
Other receivables	12 16	2,810,601	2,698,898	1,692,825	1,563,854
Amounts owing by subsidiaries Amounts owing by associates	17			178,890	313,205
Other investments	11	6,082,461	_	6,082,461	_
Current tax assets		768,475	405,325	_	_
Deposits with licensed banks	18	136,027,849	151,440,828	120,645,032	136,536,027
Cash and bank balances	18	6,030,824	9,506,738	434,421	255,619
		161,480,195	174,117,512	129,033,629	138,668,705
TOTAL ASSETS		240,627,951	243,901,130	195,787,164	194,242,071
EQUITY AND LIABILITIES					
Equity attributable to owners					

Equity attributable to owners of the parent

Share capital Treasury shares Other reserves Retained earnings	19 20 21	114,151,835 (1,225,544) (24,506,823) 129,708,296	114,151,835 (1,225,544) (22,237,186) 127,608,503	114,151,835 (1,225,544) (27,880,698) 109,619,289	114,151,835 (1,225,544) (27,507,599) 108,379,821
Non-controlling interests	9(d)	218,127,764 14,707,218	218,297,608 15,764,977	194,664,882	193,798,513
TOTAL EQUITY		232,834,982	234,062,585	194,664,882	193,798,513

Statements of Financial Position As at 30 June 2025

		2025	Group 2024	2025	Company 2024
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	640,832	474,717	480,185	_
Deferred tax liabilities	13	512,189	421,858	-	-
		1,153,021	896,575	480,185	_
Current liabilities					
Trade payables	22	1,588,405	2,265,158	_	_
Other payables and accruals	23	2,242,977	2,980,433	191,336	171,360
Contract liability	24	1,763,463	2,893,011	-	_
Lease liabilities	7	924,422	652,674	330,080	121,504
Current tax liabilities		120,681	150,694	120,681	150,694
		6,639,948	8,941,970	642,097	443,558
TOTAL LIABILITIES		7,792,969	9,838,545	1,122,282	443,558
TOTAL EQUITY AND LIABILITIE	ES	240,627,951	243,901,130	195,787,164	194,242,071

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 2025

	Note	2025 RM	Group 2024 RM	2025 RM	ompany 2024 RM
Revenue Cost of sales	25 26	33,524,173 (20,691,479)	45,737,288 (26,834,120)	500,000 -	840,000
Gross profit Other income Selling and distribution costs Administrative expenses Net gain/(loss) on impairment	-	12,832,694 7,458,721 (8,735,193) (7,572,090)	18,903,168 6,952,556 (10,628,565) (7,311,390)	500,000 6,357,830 – (2,850,598)	840,000 6,262,265 - (2,227,849)
of financial instruments Other operating expenses	27	106,078 (25,349)	(150,586) (734)	(64,004) (1,309)	(54,255) (173)
Profit from operations Share of results of associates,	-	4,064,861	7,764,449	3,941,919	4,819,988
net of tax Finance costs	7	1,725,986 (105,530)	2,482,408 (99,562)	_ (39,164)	(21,491)
Profit before tax Tax expense	28 30	5,685,317 (1,389,400)	10,147,295 (2,029,447)	3,902,755 (985,631)	4,798,497 (1,043,047)
Profit for the financial year		4,295,917	8,117,848	2,917,124	3,755,450
Other comprehensive income/ (loss), net of tax					
Items that may be reclassified subsequently to profit or loss	6				
Foreign currency translation		(3,022,765)	181,862	-	_
Items that will not be reclassifi subsequently to profit or loss					
Fair value adjustment of: - financial assets at fair value through other comprehensive					
income ('FVTOCI')	-	(373,099)	(3,391,813)	(373,099)	(3,391,813)
Other comprehensive income/ (loss), net of tax		(3,395,864)	(3,209,951)	(373,099)	(3,391,813)
Total comprehensive income		900,053	4,907,897	2,544,025	363,637

Statements of Profit or Loss and Other Comprehensive Income For the financial year ended 30 June 2025

			Group	C	ompany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Profit attributable to:		2 777 440	0.000.071	0.047.404	0.755.450
Owners of the parent Non-controlling interests	9(d)	3,777,449 518,468	6,820,871 1,296,977	2,917,124	3,755,450
		4,295,917	8,117,848	2,917,124	3,755,450
Total comprehensive income attributable to:					
Owners of the parent Non-controlling interests		1,507,812 (607,759)	3,530,402 1,377,495	2,544,025 -	363,637 -
	_	900,053	4,907,897	2,544,025	363,637
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted	31	4.50	8.13		

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

Changes in Equity For the financial year ended 30 June 2025 Statements of

				Foreign	Foreign	F6	Distributable	Total		
Group	Note	Share capital RM	Treasury shares RM	currency translation reserve RM	FVTOCI reserve RM	Other reserves RM	Retained earnings RM	attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
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 Foreign currency translation		1 1	1 1	101,344	1 1	1 1	6,820,871	6,820,871	1,296,977 80,518	8,117,848
fair value loss on financial assets at FVTOCI		I	I	ı	(3,391,813)	I	I	(3,391,813)	ı	(3,391,813)
Total comprehensive income/(loss)		I	I	101,344	(3,391,813)	I	6,820,871	3,530,402	1,377,495	4,907,897
Transactions with owners										
Dividend paid to non- controlling interests Dividend paid	32	1 1	1 1	1 1	1 1	1 1	(1,426,007)	(1,426,007)	(162,669)	(162,669)
Iransrer or reserves of a subsidiary		I	I	I	1	5,812	(5,812)	I	I	I
Total transactions with owners		1	I	ı	I	5,812	(1,431,819)	(1,426,007)	(162,669)	(1,588,676)
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 2025

				Foreign currency	F Non-distributable Distributable Foreign currency	T	Distributable	Total attributable	Non-	
Group	Note	Share capital RM	Treasury shares RM	translation reserve RM	FVTOCI reserve RM	Other reserves RM	Retained earnings RM	to owners of the parent RM	controlling interests RM	Total equity RM
At 1 July 2024		114,151,835	(1,225,544)	4,795,798	(27,507,599)	474,615	474,615 127,608,503	218,297,608	15,764,977	234,062,585
Profit for the financial year		ı	ı	1	1	ı	3,777,449	3,777,449	518,468	4,295,917
Foreign currency translation		1	ı	(1,896,538)	ı	I	1	(1,896,538)	(1,126,227)	(3,022,765)
financial assets at FVTOCI		ı	1	1	(373,099)	1	1	(373,099)	1	(373,099)
Total comprehensive (loss)/income		ı	1	(1,896,538)	(373,099)	ı	3,777,449	1,507,812	(607,759)	900,053
Transactions with owners										
Dividend paid to									7450 0000	(450,000)
Dividend paid	32	1 1		' '	1 1	1 1	(1,677,656)	(1,677,656)	(430,000)	(450,000)
Total transactions with owners		ı	ı	1	ı	1	(1,677,656)	(1,677,656)	(450,000)	(2,127,656)
At 30 June 2025		114,151,835	(1,225,544)	2,899,260	(27,880,698)	474,615	474,615 129,708,296	218,127,764	14,707,218	14,707,218 232,834,982

Statements of Changes in Equity For the financial year ended 30 June 2025

Company	Note	Share capital RM	Treasury shares RM	Non- distributable FVTOCI reserve RM	Distributable retained earnings RM	Total equity RM
At 1 July 2023		114,151,835	(1,225,544)	(24,115,786)	106,050,378	194,860,883
Profit for the financial year Fair value loss on financial		_	-	-	3,755,450	3,755,450
assets at FVTOCI		_	-	(3,391,813)	-	(3,391,813)
Total comprehensive (loss)/income		-	-	(3,391,813)	3,755,450	363,637
Transaction with owners						
Dividend paid	32	_	_	_	(1,426,007)	(1,426,007)
At 30 June 2024		114,151,835	(1,225,544)	(27,507,599)	108,379,821	193,798,513
At 1 July 2024		114,151,835	(1,225,544)	(27,507,599)	108,379,821	193,798,513
Profit for the financial year		_	-	-	2,917,124	2,917,124
Fair value loss on financial assets at FVTOCI		-	-	(373,099)	-	(373,099)
Total comprehensive (loss)/income		-	-	(373,099)	2,917,124	2,544,025
Transaction with owners						
Dividend paid	32		-	-	(1,677,656)	(1,677,656)
At 30 June 2025		114,151,835	(1,225,544)	(27,880,698)	109,619,289	194,664,882

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

Statements of Cash Flows

For the financial year ended 30 June 2025

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		5,685,317	10,147,295	3,902,755	4,798,497
Adjustments for: Accretion of discount on financial assets at amortised cost Amortisation of premium on financial assets at		(33,445)	(37,123)	(33,445)	(37,123)
amortised cost		16,099	-	16,099	_
Amortisation of intangible assets Bad debt written-off Depreciation of property,	8 28	7,883 8,100	30,834	-	
plant and equipment Depreciation of right-of-use	6	540,153	478,329	70,423	38,750
assets Dividend income	7 25	982,940 -	935,596 –	240,448 (500,000)	234,826 (840,000)
Fair value gain on short-term investment funds Gain on derecognition of an associate Gain on disposal of property, plant and equipment Impairment losses on: - amounts owing by subsidiaries - trade receivables Interest expense on lease liabilities Interest income Inventories write-down Property, plant and equipment written-off Reversal of impairment	28	(1,964)	_	(1,964)	-
	10(b)	(501,045)	_	_	_
		(39,613)	(24,272)	-	-
	16 15	- 204,811	- 196,185	64,004	54,255 -
	7 28 14	105,530 (6,737,999) 342,407	99,562 (6,558,089) 103,630	39,164 (6,319,310) –	21,491 (6,225,024)
	6	328	7,264	-	-
losses on: - trade receivables	15	(310,889)	(45,599)	-	_
Reversal of inventories write-down	14	(264,255)	(72,859)	_	_
Reversal of provision for warranty claims	23(b)	(10,345)	(170,710)	-	_
Share of results of associates, net of tax		(1,725,986)	(2,482,408)	-	_
Unrealised loss/(gain) on foreign exchange	28	4,447	190	1,309	(118)
Operating (loss)/profit before working capital changes c/f	-	(1,727,526)	2,607,825	(2,520,517)	(1,954,446)

Statements of Cash Flows For the financial year ended 30 June 2025

			Group	Co	ompany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (Continued)					
Operating (loss)/profit before working capital changes b/f		(1,727,526)	2,607,825	(2,520,517)	(1,954,446)
Inventories Trade and other receivables Trade and other payables Contract liability		343,150 (101,531) (1,355,781) (1,129,548)	(72,308) 787,522 (769,890) (289,845)	- 100,854 19,976 -	88,120 4,867
Cash (used in)/from operations		(3,971,236)	2,263,304	(2,399,687)	(1,861,459)
Tax paid Withholding tax paid Tax refunded	_	(1,780,197) (111,321) 6,908	(2,028,407) (115,460) 151,286	(1,016,400) - 756	(1,073,165) - -
Net cash (used in)/from operating activities	_	(5,855,846)	270,723	(3,415,331)	(2,934,624)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial asset at amortised cost Dividends received from:		(20,640,000)	_	(20,640,000)	_
- associates - subsidiary		1,084,896	1,124,339	500,000	- 840,000
Interest received Net withdrawal/(placement) of deposits placed with licensed		6,644,616	6,462,177	6,224,057	6,163,790
banks with original maturity of more than three (3) months Net placement of short-term		16,332,040	(2,536,201)	15,850,056	(1,972,647)
investment fund		(6,080,497)	_	(6,080,497)	_
Proceeds from disposal of property, plant and equipment		39,616	24,277	_	_
Proceeds from redemption of financial asset at amortised cost Purchase of intangible assets	8	10,000,000 (66,908)	_ _	10,000,000	- -
Purchase of property, plant and equipment	6	(776,393)	(345,737)	(320,249)	(90)
Repayment from/(Advances to) subsidiaries		_	_	70,311	(138,955)
Net cash from investing activities		6,537,370	4,728,855	5,603,678	4,892,098

Statements of Cash Flows For the financial year ended 30 June 2025

			Group	Co	ompany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid Dividend paid to non-controlling interests	32	(1,677,656)	(1,426,007)	(1,677,656)	(1,426,007)
by subsidiaries Payments of lease liabilities	7	(450,000) (1,069,964)	(162,669) (1,002,312)	- (371,519)	(351,874)
Net cash used in financing activities	_	(3,197,620)	(2,590,988)	(2,049,175)	(1,777,881)
Net (decrease)/increase in cash and cash equivalents		(2,516,096)	2,408,590	139,172	179,593
Effects of exchange rate changes on cash and cash equivalents		(40,757)	7,131	(1,309)	118
Cash and cash equivalents at beginning of financial year	_	17,006,738	14,591,017	1,155,619	975,908
Cash and cash equivalents at end of financial year	18	14,449,885	17,006,738	1,293,482	1,155,619

Statements of Cash Flows

For the financial year ended 30 June 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		liabilities ote 7) Company RM
At 1 July 2024	1,127,391	121,504
Cash flows	(1,069,964)	(371,519)
Non-cash flows: - Interest expense - Additions during the financial year	105,530 1,402,297	39,164 1,021,116
	1,507,827	1,060,280
At 30 June 2025	1,565,254	810,265
At 1 July 2023	837,123	450,189
Cash flows	(1,002,312)	(351,874)
Non-cash flows: - Interest expense - Additions during the financial year - Remeasurement during the financial year	99,562 1,191,320 1,698	21,491 - 1,698
	1,292,580	23,189
At 30 June 2024	1,127,391	121,504

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

30 June 2025

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 2025 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 2025.

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.

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.

4. **OPERATING SEGMENTS (continued)**

Business Segments

2025	Bedding RM	Other operations RM	Eliminations RM	Total RM
Revenue External revenue Inter-segment revenue	33,524,173 -	- 2,232,896	- (2,232,896)	33,524,173 -
	33,524,173	2,232,896	(2,232,896)	33,524,173
Results Interest expense on lease liabilities Interest income Amortisation of intangible assets Depreciation of property, plant and equipment Depreciation of right-of-use assets Other non-cash income Share of results of associates, net of tax Segment profit before tax Tax expense	(67,052) 375,528 (7,286) (467,377) (664,299) 69,456 ————————————————————————————————————	(49,274) 6,362,471 (597) (72,776) (318,641) 515,908 1,725,986 5,048,317 (1,050,992)	-	(105,530) 6,737,999 (7,883) (540,153) (982,940) 585,364 1,725,986 5,685,317 (1,389,400)
Assets Additions to non-current assets Investments in associates Segment assets	510,416 - 37,463,130	332,885 21,820,147 203,164,821	=	843,301 21,820,147 240,627,951
Liabilities Segment liabilities	6,355,637	1,437,332	-	7,792,969

4. **OPERATING SEGMENTS (continued)**

Business Segments (continued)

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

OPERATING SEGMENTS (continued)

Business Segments (continued)

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

	2025 RM	2024 RM
Accretion of discount on financial assets at amortised cost Amortisation of premium on financial assets at amortised cost Bad debt written-off Fair value gain on short-term investment fund Gain on derecognition of an associate Gain on disposal of property, plant and equipment Impairment losses on trade receivables Inventories write-down Property, plant and equipment written off Reversal of impairment losses on trade receivables Reversal of inventories write-down Reversal of overprovision for warranty claims Unrealised loss on foreign exchange	33,445 (16,099) (8,100) 1,964 501,045 39,613 (204,811) (342,407) (328) 310,889 264,255 10,345 (4,447)	37,123 - - 24,272 (196,185) (103,630) (7,264) 45,599 72,859 170,710 (190)
Additions to non-current assets consist of:	585,364	43,294
	2025 RM	2024 RM

(c)

	2025 RM	2024 RM
Property, plant and equipment Intangible assets	776,393 66,908	345,737
	843,301	345,737

Geographical information

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

	2025 RM	2024 RM
Malaysia Asia (excluding Malaysia)	31,127,470 2,396,703	43,662,638 2,074,650
	33,524,173	45,737,288

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:

	2025 RM	2024 RM
Malaysia Asia (excluding Malaysia)	5,141,935 21,848,496	4,349,479 23,724,186
	26,990,431	28,073,665

Major customer

Revenue from one major customer amounted to RM5,552,919 (2024: RM14,367,082), 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 2025.

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

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, interest rate and market price 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 Note 15 to the financial statements.

(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.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

- (b) Financial risk management objectives and policies (continued)
 - (ii) Liquidity risk (continued)

The analysis of lease liabilities by remaining contractual maturities has been disclosed in Note 7 to the financial statements.

Maturity profile of financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is payable within next twelve (12) months.

(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, 15, 18, 22 and 23 to the financial statements respectively.

(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.

Financial Statements Notes to the 30 June 2025

CAPITAL AND FINANCIAL RISK MANAGEMENT (continued) 5

Financial risk management objectives and policies (continued) (Q)

(iv) Interest rate risk (continued)

The following table set out the carrying amounts the effective appuishinterest rates as at the end of the reporting date and

the remaining maturities of financial instruments of the Group and of the Company that are exposed to interest rate risk:	ncial instr	uments of the Group	and of the Cor	mpany that are	exposed to int	erest rate risk:
	() 	Effective annual interest rate	Within one year	One to five years	Over five years	Total
dronp	Note	%	Z Z		Z Z	Ξ Σ
30 June 2025						
Fixed rates Malaysian quoted						
Government Bonds	=	3.47 - 4.29	ı	ı	40,473,406	40,473,406
Deposits with licensed banks	18	3.71	3.71 136,027,849	1	1	136,027,849
30 June 2024						
Fixed rates Malaysian clinited						
Government Bonds Deposits with licensed banks	1 1 8 1	3.47 - 3.88	9,992,134	1 1	19,823,926	29,816,060 151,440,828
-						

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

(iv) Interest rate risk (continued)

Company	Note	Effective annual interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
30 June 2025						
Fixed rates Malaysian quoted Government Bonds	Ξ	3.47 - 4.29	I	I	40,473,406	40,473,406
Lease receivables Deposits with licensed banks	7 2	3.77	86,714 120,645,032	133,682	1 1	220,396 120,645,032
30 June 2024						
Fixed rates Malaysian quoted Government Bonds Lease receivables Deposits with licensed banks	1 2 8	3.46 - 3.88 7.00 3.79	9,992,134 38,330 136,536,027	1 1 1	19,823,926	29,816,060 38,330 136,536,027

The Group and the Company does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

- (b) Financial risk management objectives and policies (continued)
 - (v) Market price risk
 - Market price risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risks arising from investment in equity securities and unit trusts. The unquoted equity instruments of the Group are held for strategic rather than trading purposes. Investment in funds are mainly money market funds which are not subject to significant price risk.

The Group neither have the intention nor historical trend of active trading in these financial instrument. 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.

(c) Fair value of financial instruments

The carrying amount of the Group and the Company's trade and other receivables, amount owing by subsidiaries, amount owing by associates, deposit with licensed banks, cash and bank balances, trade payables and other payables and accruals are reasonable approximation of fair value due to their short-term nature.

Fair value information of the Group and the Company's other investments are disclosed in Note 11 to the financial statements.

Notes to the Financial Statements 30 June 2025

6. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings	Renovation RM	Total RM
Carrying amounts						
At 1 July 2024 Additions Disposals Written-off	1,269,291	613,426 456,144 (1) (326)	777,204 303,888 (1)	102,481 16,361 (1)	141,492	2,903,894 776,393 (3)
Depreciation charge for the financial year Translation adjustments	(73,873)	(163,289) (2,312)	(244,780)	(31,652) (55)	(26,559)	(540,153) (2,367)
At 30 June 2025	1,195,418	903,642	836,311	87,133	114,932	3,137,436
At 30 June 2025:						
Cost Accumulated depreciation	3,693,675 (2,498,257)	5,344,533 (4,440,891)	3,428,285 (2,591,974)	926,581 (839,448)	1,018,322 (903,390)	14,411,396 (11,273,960)
Carrying amount	1,195,418	903,642	836,311	87,133	114,932	3,137,436

Notes to the Financial Statements 30 June 2025

6. PROPERTY, PLANT AND EQUIPMENT (continued)

tion Total RM RM		30 3,043,755 36 345,737 - (7,264)	(478,329)	32 2,903,894		12 14,052,916 20) (11,149,022)	32 2,903,894
Renovation RM		117,430 46,836 -	(22,774)	141,492		1,020,412 (878,920)	141,492
Office equipment, furniture and fittings		137,560 936 -	(36,015)	102,481		912,498 (810,017)	102,481
Motor vehicles RM		863,243 128,629 (1)	(214,667)	777,204		3,305,497 (2,528,293)	777,204
Plant and machinery RM		582,357 169,336 (4) (7,264)	(130,999)	613,426		5,120,834 (4,507,408)	613,426
Buildings		1,343,165	(73,874)	1,269,291		3,693,675 (2,424,384)	1,269,291
Group 2024	Carrying amounts	At 1 July 2023 Additions Disposals Written-off	the financial year	At 30 June 2024	At 30 June 2024:	Cost Accumulated depreciation	Carrying amount

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Total RM
Carrying amount				
At 1 July 2024 Additions Depreciation charge for	5,147 303,888	15,722 16,361	1,985 -	22,854 320,249
the financial year	(60,859)	(9,067)	(497)	(70,423)
At 30 June 2025	248,176	23,016	1,488	272,680
At 30 June 2025:				
Cost Accumulated depreciation	458,269 (210,093)	208,692 (185,676)	195,150 (193,662)	862,111 (589,431)
Carrying amount	248,176	23,016	1,488	272,680
2024				
Carrying amount				
At 1 July 2023 Addition Depreciation charge for	36,023	23,009 90	2,482	61,514 90
the financial year	(30,876)	(7,377)	(497)	(38,750)
At 30 June 2024	5,147	15,722	1,985	22,854
At 30 June 2024:				
Cost Accumulated depreciation	154,381 (149,234)	192,331 (176,609)	195,150 (193,165)	541,862 (519,008)
Carrying amount	5,147	15,722	1,985	22,854

6. PROPERTY, PLANT AND EQUIPMENT (continued)

- (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%

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	Leasehold land a RM	Buildings nd car park RM	Total RM
Carrying amount			
At 1 July 2023 Additions Remeasuremrent Depreciation	486,770 - - (25,770)	804,852 1,191,320 1,698 (909,826)	1,291,622 1,191,320 1,698 (935,596)
At 30 June 2024 / 1 July 2024 Additions Depreciation	461,000 - (25,772)	1,088,044 1,402,297 (957,168)	1,549,044 1,402,297 (982,940)
At 30 June 2025	435,228	1,533,173	1,968,401

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Right-of-use assets (continued)

Company	Leasehold land RM	Buildings and car park RM	Total RM
At 1 July 2023	-	327,186	327,186
Additions	-	1,698	1,698
Depreciation	-	(234,826)	(234,826)
At 30 June 2024 / 1 July 2024	-	94,058	94,058
Additions	-	752,862	752,862
Depreciation	-	(240,448)	(240,448)
At 30 June 2025	-	606,472	606,472

Lease liabilities

	Buildings and car parks Group Company			
	2025 RM	2024 RM	2025 RM	2024 RM
Carrying amount				
At beginning of financial year Additions Remeasurement Lease payments Interest expense At end of financial year	1,127,391 1,402,297 - (1,069,964) 105,530 1,565,254	837,123 1,191,320 1,698 (1,002,312) 99,562 1,127,391	121,504 1,021,116 - (371,519) 39,164 810,265	450,189 - 1,698 (351,874) 21,491 121,504
Represented by:				
Current liabilities Non-current liabilities	924,422 640,832	652,674 474,717	330,080 480,185	121,504 -
Lease liabilities owing to non-financial institutions	1,565,254	1,127,391	810,265	121,504

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (a) The Group and the Company lease a number of lands, buildings and car park in the locations which it operates with fixed periodic rent over the lease term.
- (b) 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.

(c) 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 Buildings and car parks 60 years 2 - 3 years

- (d) The Group and the Company have certain leases of assets with lease term of 12 months or less and low value leases of office equipment of RM20,000 and below. The Group and the Company applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.
- (e) The following are amounts recognised in profit or loss:

		Group	С	ompany
	2025	2024	2025	2024
	RM	RM	RM	RM
Depreciation of right-of-use assets: - included in administrative				
expenses	763,775	744,117	240,448	234,826
- included in cost of sales	25,772	25,770	_	_
included in selling and distribution costs Interest expense on lease	193,393	165,709	_	-
liabilities (included in finance costs)	105,530	99,562	39,164	21,491
Expense relating to leases of low-value assets (included in administrative expenses)	13,898	16,080	206	_
Expense relating to leases of short-term lease (included in administrative expenses)	10,443	-	10,443	_
	1,112,811	1,051,238	290,261	256,317

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(f) The Group and the Company have several lease contracts that include extension and termination options. These options are negotiated by the Group and the Company to provide flexibility in managing the leased assets portfolio and align with the business needs of the Group and of the Company.

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

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

		Group	C	ompany
	2025	2024	2025	2024
	RM	RM	RM	RM
Included in net cash used in operating activities: Payment relating to leases of				
low-value assets	13,898	16,080	206	_
Payment relating to leases of short-term lease	10,443	-	10,443	-
Included in net cash used in financing activities:				
Payments of lease liabilities	1,069,964	1,002,312	371,519	351,874
	1,094,305	1,018,392	382,168	351,874

(h) The table below summarises the incremental borrowing rate ("IBR") as at the end of the reporting period and 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	C	ompany
	2025 RM	2024 RM	2025 RM	2024 RM
On demand of within one year One to five years	1,005,331 668,370	709,886 496,000	376,342 504,470	123,306
	1,673,701	1,205,886	880,812	123,306
IBR per annum	7.0% - 7.5%	7.0% - 7.5%	7.0%	7.0%

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(i) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, or similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

8. INTANGIBLE ASSETS

	-	er softwares
Group	2025 RM	2024 RM
Carrying amount		
At beginning of financial year Additions Amortisation charge for the financial year	5,422 66,908 (7,883)	36,256 - (30,834)
At end of financial year	64,447	5,422
At 30 June:		
Cost Accumulated amortisation	801,740 (737,293)	734,832 (729,410)
Carrying amount	64,447	5,422

- (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.

9. INVESTMENTS IN SUBSIDIARIES

	Co 2025 RM	ompany 2024 RM
Unquoted shares, at cost Accumulated impairment losses	24,033,698 (8,568,741)	24,033,698 (8,568,741)
	15,464,957	15,464,957

9. INVESTMENTS IN SUBSIDIARIES (continued)

- (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. On disposal of such investments, the difference between the net disposal proceeds and the carrying amounts is included in profit or loss.
 - 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.
- (b) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. The discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates were used to determine the key assumptions applied to the cash flow projections. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

There is no movement in impairment losses of investments in subsidiaries.

(c) Details of the subsidiaries are as follows:

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

9. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business		ctive interest 2024 %	Principal activities
Held through Dreamland Spring Sdn. Bhd.				
Dreamland Marketing (Shanghai) Co. Ltd. (1)	The People's Republic of China	65	65	Retail marketing of bedding products
Held through KT Fittings Sdn. Bhd.				
Kanzen Marketing Sdn. Bhd.	Malaysia	100	100	Dormant
Held through Kanzen Ventures Sdn. Bhd.				
Kanzen Energy Ventures Sdn. Bhd. ("KEV")	Malaysia	55	55	Investment holding
Held through Restonic				
Dreamland Corporation (Malaysia) Sdn. Bhd.	Malaysia	85.72	85.72	Wholesales dealership and retailing of mattresses, furniture and related accessories
Dreamland Spring Manufacturing Sdn. Bhd.	Malaysia	85.72	85.72	Manufacture and wholesale dealership of mattresses
Eurocoir Products Sdn. Bhd.	Malaysia	85.72	85.72	Manufacture and sale of furnitures
Dream Products Sdn. Bhd.	Malaysia	85.72	85.72	Manufacture and sale of synthetic foam and mattress

9. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effectindirect 2025	ctive interest 2024 %	Principal activities
Held through Restonic (continued)				
Dream Crafts Sdn. Bhd.	Malaysia	85.72	85.72	Marketing and sales promotion of furniture, mattresses and related accessories
Sleepmaker Sdn. Bhd.	Malaysia	85.72	85.72	Dormant

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

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

2025	Restonic (Group) RM	KEV (Economic Entity) RM	Other individual immaterial subsidiaries RM	Total RM
NCI percentage of ownership and voting interest	14.28%	45%		
Carrying amount of NCI	4,330,363	10,097,720	279,135	14,707,218
Profit allocated to NCI	51,888	500,171	(33,591)	518,468
2024				
NCI percentage of ownership and voting interest	14.28%	45%		
Carrying amount of NCI	4,278,475	11,143,861	342,641	15,764,977
Profit allocated to NCI	496,888	806,982	(6,893)	1,296,977

9. INVESTMENTS IN SUBSIDIARIES (continued)

(e) 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:

		2025 KEV		2024 KEV
	Restonic (Group) RM	(Economic Entity) RM	Restonic (Group) RM	(Economic Entity) RM
Assets and liabilities Non-current assets Current assets Non-current liabilities Current liabilities	5,898,663 30,751,517 (436,129) (5,900,799)	21,877,736 841,307 (33,961) (48,115)	5,900,542 32,933,951 (633,251) (8,250,668)	23,627,378 1,384,221 - (29,164)
Net assets	30,313,252	22,636,967	29,950,574	24,982,435
Results Revenue Profit for the financial year Other comprehensive loss Total comprehensive income/(loss)	32,234,302 362,678 - 362,678	1,090,780 (2,436,248) (1,345,468)	44,090,184 3,479,341 - 3,479,341	1,855,218 168,674 2,023,892
Cash flows (used in)/ from operating activities Cash flows (used in)/ from investing activities Cash flows used in financing activities	(1,702,635) (112,008) (592,496)	(651,768) 1,628,240 (1,024,137)	3,947,412 (65,373) (1,519,196)	(642,342) 634,294 (21,404)
Net decrease in cash and cash equivalents	(2,407,139)	(47,665)	2,362,843	(29,452)
Dividends paid to non- controlling interests	-	450,000	140,000	_

9. INVESTMENTS IN SUBSIDIARIES (continued)

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

	2025 KEV			2024 KEV	
	Restonic (Group) RM	(Economic Entity) RM	Restonic (Group) RM	(Economic Entity) RM	
Profit for the financial year Others	362,678 686	1,090,780 20,711	3,479,341 271	1,855,218 (61,924)	
Profit, net of Group's adjustments NCI percentage of ownership	363,364	1,111,491	3,479,612	1,793,294	
and voting interest	14.28%	45%	14.28%	45%	
Profit allocated to NCI	51,888	500,171	496,888	806,982	

10. INVESTMENTS IN ASSOCIATES

		Group	
	2025 RM	2024 RM	
Outside Malaysia			
Unquoted shares, at cost	10,411,246	11,264,591	
Share of post-acquisition reserve, net of Group's dividends	6,118,848	4,274,967	
Exchange differences	5,290,053	8,227,346	
Accumulated impairment loss		(151,599)	
	21,820,147	23,615,305	

⁽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.

10. INVESTMENTS IN ASSOCIATES (continued)

(b) Details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Effectindirect 2025		Principal activities
Held through Dreamland Spring Sdn. Bhd.				
Dreamland Shanghai Pte. Ltd. ("DS")*(1)	The People's Republic of China	-	40	Manufacturing and marketing of spring mattresses
Held through Dreamland Shanghai Pte. Ltd.				
Shanghai Mengge Household Products Pte. Ltd. ("SM") * ⁽¹⁾	The People's Republic of China	-	40	Dormant
Held through KEV				
Jiangyin Binjiang Power Supply Co. Ltd. ("JBP") *	The People's Republic of China	16.5	16.5	Marketing of steam
Jiangyin Chengdong Power Supply Co. Ltd. ("JCP")*	The People's Republic of China	16.5	16.5	Marketing of steam

^{*} Audited by firms of auditors other than BDO PLT Malaysia or BDO member firms.

- (1) During the financial year, the Group completed the derecognition of its investments in associates DS and SM, each of which was 40%-owned by Dreamland Spring Sdn. Bhd. ("DSSB"). Both entities were deregistered and ceased to be associates of DSSB. The joint venture tenure of DS expired on 16 November 2024 and the entity had been dormant prior to its deregistration. The Group recognised a gain of RM501,045 on derecognition.
- (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.

10. INVESTMENTS IN ASSOCIATES (continued)

(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:

	2025		2024	
	JBP	JCP	JBP	JCP
	RM	RM	RM	RM
Assets and liabilities				
Non-current assets	34,953,044	22,442,644	40,055,577	24,886,012
Current assets	38,252,988	34,560,094	38,504,691	37,552,698
Current liabilities	(29,051,869)	(20,712,824)	(30,373,704)	(22,944,837)
Net assets	44,154,163	36,289,914	48,186,564	39,493,873
Results				
Revenue Profit for the financial year	57,861,116 2,358,710	46,506,392 2,142,078	68,680,342 3,656,159	51,499,968 3,064,947

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

	JBP	2025	JBP	2024
	RM	JCP RM	RM	JCP RM
Net assets Consolidation adjustments at Group level*	44,154,163	36,289,914	48,186,564	39,493,873
	(5,921,234)	(1,789,020)	(7,289,676)	(1,673,077)
Total net assets	38,232,929	34,500,894	40,896,888	37,820,796
Share of net assets Add: Share by non-controlling interests of KEV	6,308,433	5,692,647	6,747,986	6,240,431
	5,161,446	4,657,621	5,521,080	5,105,808
Carrying amount	11,469,879	10,350,268	12,269,066	11,346,239
Profit for the financial year Consolidation adjustments at Group level**	2,358,710	2,142,078	3,656,159	3,064,947
	1,368,443	(115,943)	1,303,813	249,780
Total profit for the financial year	3,727,153	2,026,135	4,959,972	3,314,727

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):

		2025		2024
	JBP RM	JCP RM	JBP RM	JCP RM
Share of results for the financial year				
Share of profit or loss Add: Share by non-controlling	614,980	334,312	818,395	546,929
interests of KEV	503,166	273,528	669,596	447,488
Foreign currency translation	1,118,146	607,840	1,487,991	994,417
at Group level	(1,337,264)	(1,098,984)	80,421	88,253
Share of total results	(219,118)	(491,144)	1,568,412	1,082,670
Dividend income from associates	580,069	504,827	716,975	407,364

^{*} 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.

11. OTHER INVESTMENTS

Non-current Financial asset at FVTOCI - Unquoted shares in Malaysia (a) 9,802,338 10,175,437 Financial assets at amortised cost - 3.882% p.a. Malaysian quoted Government Bonds due on 14 March 2025 - 3.465% p.a. Malaysian quoted Government Bonds due on 15 October 2030 19,849,505 20,623,901 19,823,926 - 20,623,901 - 20,62		Note	Group a 2025 RM	and Company 2024 RM
- Unquoted shares in Malaysia (a) 9,802,338 10,175,437 Financial assets at amortised cost - 3.882% p.a. Malaysian quoted Government Bonds due on 14 March 2025 - 3.465% p.a. Malaysian quoted Government Bonds due on 15 October 2030 - 4.291% p.a. Malaysian quoted Government Bonds due on 14 August 2043 (b) 40,473,406 29,816,060 Tourrent Financial assets at fair value through profit or loss - Investment funds (a) 9,802,338 10,175,437 (b) 49,992,134 19,823,926 20,623,901 (c) 6,082,461 - 40,473,406 50,275,744 50,275,744 - 40,473,406 50,275,744 - 40,473,406 50,275,744 - 40,473,406	Non-current			
- 3.882% p.a. Malaysian quoted Government Bonds due on 14 March 2025 - 3.465% p.a. Malaysian quoted Government Bonds due on 15 October 2030 - 4.291% p.a. Malaysian quoted Government Bonds due on 14 August 2043 (b) 40,473,406 29,816,060 50,275,744 39,991,497 Current Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 —		(a)	9,802,338	10,175,437
due on 15 October 2030 - 4.291% p.a. Malaysian quoted Government Bonds due on 14 August 2043 (b) 40,473,406 29,816,060 50,275,744 39,991,497 Current Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 —	 - 3.882% p.a. Malaysian quoted Government Bonds due on 14 March 2025 		_	9,992,134
20,623,901 - (b) 40,473,406 29,816,060 50,275,744 39,991,497 Current Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 -	due on 15 October 2030		19,849,505	19,823,926
Current Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 -			20,623,901	_
Current Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 -		(b)	40,473,406	29,816,060
Financial assets at fair value through profit or loss - Investment funds (c) 6,082,461 -			50,275,744	39,991,497
- Investment funds (c) 6,082,461 -	Current			
Total other investments 56,358,205 39,991,497	- · · · · · · · · · · · · · · · · · · ·	(c)	6,082,461	_
	Total other investments		56,358,205	39,991,497

- (a) Unquoted shares investment is 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) 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.
- (c) Investment funds are short-term money market funds which is classified as financial assets at fair value through profit or loss. These funds are managed by licensed financial institution in Malaysia.

11. OTHER INVESTMENTS (continued)

(d) Fair value information

The table below analyses the Group and Company's other investments at fair value:

Group and Company	Fair value o Level 1 RM	of investmer Level 2 RM	Fair value of investment carried at fair value Level 1 Level 2 Level 3 Tot RM RM RI	fair value Total RM	Fair value of investment not carried at fair value Level 1 Total RM RM	ent Total fair otal RM	Carrying amount RM
2025							
Unquoted shares Government bonds Money market funds	- - 6,082,461	1 1 1	9,802,338	9,802,338	- 41,340,000 41,340,000 -	9,802,338 00 41,340,000 - 6,082,461	9,802,338 40,473,406 6,082,461
	6,082,461	ı	9,802,338	9,802,338 15,884,799	41,340,000 41,340,000	00 57,224,799	56,358,205
2024							
Unquoted shares Government bonds	1 1	1 1	10,175,437 10,175,437 -	10,175,437	_ 29,728,000 29,728,000		10,175,437 10,175,437 29,728,000 29,816,060
	1	1	10,175,437	10,175,437 10,175,437	29,728,000 29,728,000		39,903,437 39,991,497

There was no transfer between levels during the financial year ended 30 June 2025.

11. OTHER INVESTMENTS (continued)

(d) Fair value information (continued)

Level 3 fair value

The following table shows a reconciliation of level 3 fair values of other investments:

	Group a 2025 RM	and Company 2024 RM
Unquoted shares		
At beginning of financial year Fair value change recognised in	10,175,437	13,567,250
other comprehensive income	(373,099)	(3,391,813)
At end of financial year	9,802,338	10,175,437

The fair values of investments in unquoted shares are determined based on the income approach based on projected cash flows.

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
Other investments		
Unquoted shares in Malaysia	Occupancy rate: 2025: range of 58% - 85% (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: 2025: 5% (2024: 5%)	The higher the pre-tax discount rate, the lower the fair value of the unquoted shares would be.

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.

11. OTHER INVESTMENTS (continued)

(e) Sensitivity analysis for investments in unquoted shares of the Group and the Company are as follows:

Other comprehensive income, net of tax		
Increase RM	Decrease RM	
101,754	(67,836)	
169,590	(135,673)	
	income, Increase RM 101,754	

(f) Management has deemed the sensitivity analysis for pre-tax discount rate is not disclosed as it is not material to the Group and the Company.

12. OTHER RECEIVABLES

		Gr	oup	Com	pany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
	Note	KIVI	KIVI	KIVI	HIVI
Non-current					
Lease receivables	(c)	_	_	133,682	_
Other deferred expenses	_	28,762	15,952	-	
Total other receivables (non-current)		28,762	15,952	133,682	_

12. OTHER RECEIVABLES (continued)

			Group	Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Current					
Lease receivables Other receivables Sundry deposits Prepayments	(c)	1,885,998 514,493 410,110	- 1,785,343 508,457 405,098	86,714 1,482,736 120,303 3,072	38,330 1,393,302 120,303 11,919
Total other receivables (current)	_	2,810,601	2,698,898	1,692,825	1,563,854
Total other receivables (non-current and current)		2,839,363	2,714,850	1,826,507	1,563,854
Less: Prepayments		(410,110)	(405,098)	(3,072)	(11,919)
Total other receivables	_	2,429,253	2,309,752	1,823,435	1,551,935

- (a) Total other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Impairment for the other receivables (excluding prepayments) 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. Inflation) 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.

12. OTHER RECEIVABLES (continued)

(c) The Company has classified its subleases of certain buildings and car parks as finance lease because the sublease is for the whole of the remaining term of the head lease. Some buildings and car parks comprised a portion that is held to earn rentals and another portion there is held for used. During the financial year, the movement on the finance lease receivables are as follows:

	Cor	npany
	2025 RM	2024 RM
At beginning of financial year Additions Lease payments received during the financial year Finance lease interest income	38,330 268,254 (96,984) 10,796	120,616 - (88,169) 5,883
At end of financial year	220,396	38,330

The Company has aggregate future lease receivables at the end of each reporting period as follows:

	Company	
	2025 RM	2024 RM
Minimum lease receivables:		
Not later than one (1) year Later than one (1) year and not later than five (5) years	99,395 140,809	39,003
Total minimum lease payments Less: Future interest charges	240,204 (19,808)	39,003 (673)
Present value of minimum lease payments	220,396	38,330
Present value of lease receivables:		
Not later than one (1) year Later than one (1) year and not later than five (5) years	86,714 133,682	38,330 –
Present value of minimum lease payments Less: Repayable within one (1) year	220,396 (86,714)	38,330 (38,330)
Repayable after one (1) year	133,682	_

12. OTHER RECEIVABLES (continued)

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

		Group		Company		
	2025	2024	2025	2024		
	RM	RM	RM	RM		
Ringgit Malaysia	2,188,994	1,970,946	1,823,435	1,551,935		
Chinese Renminbi	240,259	334,078	-	-		
Singapore Dollar	-	4,728	-	-		
	2,429,253	2,309,752	1,823,435	1,551,935		

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.

13. DEFERRED TAX ASSETS/(LIABILITIES)

(a) Deferred tax assets and liabilities are made up of the following:

		Group		
	Note	2025 RM	2024 RM	
At beginning of financial year Recognised in profit or loss	30	1,280,646 59,984	1,360,865 (80,219)	
At end of financial year		1,340,630	1,280,646	
Presented after appropriate offsetting:				
Deferred tax assets Deferred tax liabilities	_	1,852,819 (512,189)	1,702,504 (421,858)	
		1,340,630	1,280,646	

13. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

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

	Property, plant and equipment RM	Others RM	Total RM
At 1 July 2023	1,560,885	(200,020)	1,360,865
Recognised in profit or loss	(16,872)	(63,347)	(80,219)
At 30 June 2024/1 July 2024	1,544,013	(263,367)	1,280,646
Recognised in profit or loss	42,006	17,978	59,984
At 30 June 2025	1,586,019	(245,389)	1,340,630

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

		Group	С	ompany
	2025 RM	2024 RM	2025 RM	2024 RM
Unused tax losses, expired by:				
- 30 June 2028	198,375	198,375	-	_
- 30 June 2029	15,614,727	15,614,727	_	_
- 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	18,374	18,374	_	_
- 30 June 2036 Unabsorbed capital	19,316	_	-	_
allowances Other deductible temporary	1,151,576	1,150,626	205,617	205,617
differences	1,054,653	1,151,747	32,656	55,627
	18,252,268	18,329,096	238,273	261,244

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.

14. INVENTORIES

	2025 RM	Group 2024 RM
At cost		
Raw materials Work-in-progress Finished goods Consumables	1,884,215 412,879 3,482,362 6,960 5,786,416	1,826,156 294,334 4,101,222 9,265 6,230,977
Recognised in profit or loss		
Inventories recognised as costs of sales Inventories write-down Reversal of inventories write-down	16,320,573 342,407 (264,255)	22,170,540 103,630 (72,859)

- (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 RM264,255 (2024: RM72,859) 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.

15. TRADE RECEIVABLES

		Group
	2025 RM	2024 RM
Third parties Less: Impairment losses	4,562,130 (588,561)	4,529,385 (694,639)
Total trade receivables	3,973,569	3,834,746

- (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 (2024: 7 days to 90 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

15. TRADE RECEIVABLES (continued)

(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.

15. TRADE RECEIVABLES (continued)

(c) (continued)

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

Group	Expected loss rate %	Gross carrying amount RM	Impairment RM	Net carrying amount RM
30 June 2025				
Current Past due:	1	1,559,135	(8,821)	1,550,314
More than 30 days More than 60 days More than 90 days	1 1 1	1,367,177 860,842 152,845	(8,167) (5,172) (919)	1,359,010 855,670 151,926
		2,380,864	(14,258)	2,366,606
Credit impaired More than 120 days	91	622,131	(565,482)	56,649
		4,562,130	(588,561)	3,973,569
30 June 2024				
Current Past due:	7	1,289,960	(89,689)	1,200,271
More than 30 days More than 60 days More than 90 days	1 3 2	1,459,314 960,275 109,700	(8,549) (27,263) (2,025)	1,450,765 933,012 107,675
		2,529,289	(37,837)	2,491,452
Credit impaired More than 120 days	80	710,136	(567,113)	143,023
		4,529,385	(694,639)	3,834,746

15. TRADE RECEIVABLES (continued)

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

	Lifetim	e ECL	
Group	Not credit	Credit	Total
2025	impaired RM	impaired RM	allowance RM
At 1 July 2024 Impairment losses recognised	209,443	485,196	694,639
during the financial year Reversal of impairment losses	– (186,021)	204,811 (124,868)	204,811 (310,889)
At 30 June 2025	23,422	565,139	588,561
2024			
At 1 July 2023 Impairment losses recognised	183,377	360,676	544,053
during the financial year Reversal of impairment losses	26,066 -	170,119 (45,599)	196,185 (45,599)
At 30 June 2024	209,443	485,196	694,639

(e) The currency profile of trade receivables of the Group are as follows:

		Group
	2025 RM	2024 RM
Ringgit Malaysia Chinese Renminbi	3,960,869 12,700	3,834,746
	3,973,569	3,834,746

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.

15. TRADE RECEIVABLES (continued)

(f) 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:

		2025	Group	2024
	RM	%	RM	%
By country Malaysia Asia (excluding Malaysia)	3,943,293 30,276	99.2 0.8	3,730,313 104,433	97.3 2.7
	3,973,569	100.0	3,834,746	100.0

The Group has a significant concentration of credit risk to an individual customer, which constitutes 34% (2024: 48%) of total trade receivables as at the end of the reporting period.

16. AMOUNTS OWING BY SUBSIDIARIES

	Ce	ompany
	2025	2024
	RM	RM
Amounts owing by subsidiaries	13,243,066	13,313,377
Less: Impairment losses	(13,064,176)	(13,000,172)
	178,890	313,205

- (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 as disclosed in Note 12(b) to the financial statements.

16. AMOUNTS OWING BY SUBSIDIARIES (continued)

(d) Reconciliation of movements in impairment losses of amounts owing by subsidiaries are as follows:

	Company Credit impaired	
	2025 RM	2024 RM
At beginning of financial year Impairment losses recognised during the financial year	13,000,172 64,004	12,945,917 54,255
At end of financial year	13,064,176	13,000,172

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

17. AMOUNTS OWING BY ASSOCIATES

		Group
	2025	2024
	RM	RM
Amounts owing by associates	3,938	424,565
Less: Impairment losses	(3,938)	(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 as disclosed in Note 12(b) to the financial statements.

17. AMOUNTS OWING BY ASSOCIATES (continued)

(d) Reconciliation of movements in impairment losses of amounts owing by associates are as follows:

	Company Credit impaired	
	2025 RM	2024 RM
At beginning of financial year Written-off during the financial year	424,565 (420,627)	424,565 –
At end of financial year	3,938	424,565

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

18. DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

	Group		C	Company
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with licensed banks Cash and bank balances	136,027,849 6,030,824	151,440,828 9,506,738	120,645,032 434,421	136,536,027 255,619
As reported in the statements of financial position	142,058,673	160,947,566	121,079,453	136,791,646
Less: - Deposits placed with licensed banks with maturity of more than three (3) months	(127,608,788)	(143,940,828)	(119,785,971)	(135,636,027)
Cash and cash equivalents				
included in the statements of cash flows	14,449,885	17,006,738	1,293,482	1,155,619

- (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 fourteen (14) days to four (4) months (2024: twenty one (21) days to four (4) months).

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

(c) The currency profile of deposits with licensed banks and cash and bank balances of the Group and of the Company are as follows:

		Group		ompany
	2025	2024	2025	2024
	RM	RM	RM	RM
Ringgit Malaysia	141,702,923	160,494,824	121,067,889	136,778,773
Chinese Renminbi	319,730	412,430	1,880	2,034
United States Dollar	36,020	40,312	9,684	10,839
	142,058,673	160,947,566	121,079,453	136,791,646

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.

(d) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.

19. SHARE CAPITAL

	Group and Company			
		2025		2024
Issued and fully paid ordinary shares with no par value	Number of shares	RM	Number of shares	RM
At beginning/end of financial year	85.162.500	114.151.835	85.162.500	114.151.835
,		,,		, ,

The 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.

20. TREASURY SHARES

	Group and Company				
	2025			2024	
	Number of shares	RM	Number of shares	RM	
At beginning/end of financial year	1,279,700	1,225,544	1,279,700	1,225,544	

- (a) 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.
- (b) 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 in accordance with Section 127(4) of the Companies Act 2016 and listing requirements and applicable guideline of Bursa Malaysia Securities.
- (c) There was no share repurchased during the financial year.

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

(d) The number of ordinary shares at 30 June 2025 net of treasury shares is 83,882,800 (2024: 83,882,800).

21. OTHER RESERVES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-distributable				
Foreign currency translation reserve	2,899,260	4,795,798	_	_
FVTOCI reserve	(27,880,698)	(27,507,599)	(27,880,698)	(27,507,599)
Other reserves	474,615	474,615	_	_
	(24,506,823)	(22,237,186)	(27,880,698)	(27,507,599)

(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.

21. OTHER RESERVES (continued)

(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.

22. TRADE PAYABLES

	Group	
	2025	2024
	RM	RM
Third parties	1,588,405	2,265,158

- (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 (2024: 30 days to 120 days).
- (c) The currency profile of trade payables of the Group are as follows:

		Group
	2025	2024
	RM	RM
Ringgit Malaysia	1,576,534	1,962,760
Chinese Renminbi	11,871	321
United States Dollar	-	302,077
	1,588,405	2,265,158
•		

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.

23. OTHER PAYABLES AND ACCRUALS

		Group		Group Compan		mpany
	Note	2025 RM	2024 RM	2025 RM	2024 RM	
Other payables Accruals		588,634 1,626,678	771,132 2,171,291	31,602 159,734	31,329 140,031	
		2,215,312	2,942,423	191,336	171,360	
Provision for warranty claims	(b)	27,665	38,010	-	_	
Total other payables and accruals		2,242,977	2,980,433	191,336	171,360	

- (a) Other payables and accruals (excluding provision for warranty claims) are classified as financial liabilities measured at amortised cost.
- (b) Provision for warranty claims relates mainly to the bed set, headboard and divan sold during the financial year ended 30 June 2025 and 30 June 2024. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to incur most of the liability over the next financial year. The movement of provision of warranty claims are as following:

		Group	
	2025 RM	2024 RM	
At beginning of financial year Reversal of provision for warranty claims	38,010 (10,345)	208,720 (170,710)	
At end of financial year	27,665	38,010	

23. OTHER PAYABLES AND ACCRUALS (continued)

(c) The currency profile of other payables and accruals (excluding provision for warranty claims) of the Group and of the Company are as follows:

		Group		mpany
	2025	2024	2025	2024
	RM	RM	RM	RM
Ringgit Malaysia	2,202,429	2,838,963	191,336	171,360
Chinese Renminbi	12,883	101,970	-	-
Singapore Dollar	-	1,490	-	-
	2,215,312	2,942,423	191,336	171,360

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.

(d) In previous financial year, included in the other payables is withholding tax payable amounting to RM45,799.

24. CONTRACT LIABILITY

		Group
	2025	2024
	RM	RM
Deferred income	1,763,463	2,893,011

- (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 RM2,356,940 (2024: RM2,719,273) recognised in contract liability at the beginning of the financial year has been recognised as revenue for the financial year ended 30 June 2025.

24. CONTRACT LIABILITY (continued)

(e) 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:

		Group
	2025	2024
	RM	RM
Within 1 year	1,763,463	2,893,011

25. REVENUE

	2025 RM	Group 2024 RM	Co 2025 RM	ompany 2024 RM
Revenue from contracts with customers Sale of goods	33,524,173	45,737,288	-	-
Other revenue Dividend revenue from subsidiaries	-	-	500,000	840,000
	33,524,173	45,737,288	500,000	840,000

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.

(a) 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.

25. REVENUE (continued)

(b) Other revenue

Dividend revenue from subsidiaries

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

26. COST OF SALES

		Group
	2025	2024
	RM	RM
Costs of goods sold	20,691,479	26,834,120

Cost of sales of the Group represents cost of inventories sold and other related expenses.

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

		G	iroup	Cor	npany
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Impairment losses on: - amounts owing by					
subsidiaries	16	_	_	(64,004)	(54,255)
- trade receivables	15	(204,811)	(196,185)	-	_
Reversal of impairment losses on:					
- trade receivables	15	310,889	45,599	-	_
		106,078	(150,586)	(64,004)	(54,255)

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		С	ompany
	2025	2024	2025	2024
	RM	RM	RM	RM
After charging:				
Auditors' remuneration: BDO PLT Malaysia - statutory audit				
- current year	179,250	179,250	58,400	58,400
- non-statutory audit	4,800	4,800	4,800	4,800
Other auditors - statutory audit				
- current year	5,409	5,764	_	_
Bad debt written-off	8,100	_	_	_
Loss on foreign exchange	45.450			170
- realised	17,159	100	1 000	173
- unrealised	4,447	190	1,309	_
And crediting:				
Bad debt recovery	1,862	19,536	-	_
Fair value gain on short-term investment funds	1,964	_	1,964	_
Gain on foreign exchange	1,504		1,504	
- realised	_	4,386	11	_
- unrealised	_	_	_	118
Interest income	6,737,999	6,558,089	6,319,310	6,225,024

Interest income

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

29. EMPLOYEE BENEFITS

		Group		mpany
	2025	2024	2025	2024
	RM	RM	RM	RM
Wages, salaries and others	9,835,646	10,238,669	1,576,850	1,201,405
Defined contribution plan	1,000,315	998,129	147,111	110,980
	10,835,961	11,236,798	1,723,961	1,312,385

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration excluding benefits-in-kind amounting to RM1,592,286 (2024: RM1,241,717) and RM731,996 (2024: RM364,649). Further information are disclosed in Note 33(c) to the financial statements.

30. TAX EXPENSE

			Group	Co	mpany
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Current income tax					
Malaysian income tax Foreign income tax		1,444,482 -	1,919,408 1,079	986,000	1,092,000
Overprovision in		1,444,482	1,920,487	986,000	1,092,000
prior years Malaysian income tax	_	(64,356)	(86,719)	(369)	(48,953)
		1,380,126	1,833,768	985,631	1,043,047
Withholding tax		69,258	115,460	-	-
Deferred tax					
Relating to origination and reversal of					
temporary differences Under/(Over)provision		(297,666)	171,875	-	-
in prior years		237,682	(91,656)	_	_
	13	(59,984)	80,219	-	_
	_	1,389,400	2,029,447	985,631	1,043,047

30. TAX EXPENSE (continued)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 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.
- (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:

	2025 RM	Group 2024 RM	2025 RM	mpany 2024 RM
Profit before tax	5,685,317	10,147,295	3,902,755	4,798,497
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	1,364,476	2,435,351	936,661	1,151,639
Tax effects in respect of: Difference in tax rates in foreign jurisdiction Non-taxable income Non-allowable expenses Share of tax of associates Deferred tax assets not recognised Utilisation of previously unrecognised deferred tax assets Withholding tax in foreign jurisdiction	16,266 (293,660) 509,671 (431,497) 5,129 (23,568) 69,257	24,657 (290,010) 476,702 (620,602) 67,742 (1,478) 115,460 2,207,822	- (122,591) 177,443 - 77 (5,590) - 986,000	(203,012) 144,851 - - (1,478) - 1,092,000
(Over)/Under provision in prior years - income tax - deferred tax	(64,356) 237,682	(86,719) (91,656)	(369)	(48,953)
	1,389,400	2,029,447	985,631	1,043,047

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.

		Group
	2025	2024
Profit for the financial year attributable to equity holders of the parent (in RM)	3,777,449	6,820,871
Weighted average number of ordinary shares in issue	85,162,500	85,162,500
Weighted average number of treasury shares held	(1,279,700)	(1,279,700)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	83,882,800	83,882,800
Basic earnings per ordinary share (in sen)	4.50	8.13

(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 a	and Company	1
		2025	2024	
	Dividend per share RM	Amount of dividend RM	Dividend per share RM	Amount of dividend RM
Single-tier dividend paid in respect of financial year ended 30 June 2023: - Final	_	-	1.7	1,426,007
Single-tier dividend paid in respect of financial year ended 30 June 2024: - Final	2.0	1,677,656	-	-
financial year ended 30 June 2024:	2.0	1,677,656	-	

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.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements; and
- (ii) Associates as disclosed in Note 10 to the financial statements.
- (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:

	Company	
	2025 RM	2024 RM
Subsidiaries - Secretarial fees paid/payable	24,000	24,000
Secretarial disbursement paid/payableDividend income	960 500,000	960 840,000

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 2025 are disclosed in Notes 16 and 17 to the financial statements respectively.

(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.

33. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

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

	2025 RM	Group 2024 RM	Co 2025 RM	mpany 2024 RM
Directors of the Company				
Non-executive Directors Directors' fees	223,200	204,600	223,200	204,600
Executive Directors				
Salaries, bonus and others Defined contribution plan Benefits-in-kind	509,203 16,740 17,100	470,321 51,276 17,100		- - -
	543,043	538,697	-	_
Directors of the subsidiaries				
Salaries, bonus, allowances and others Defined contribution plan Benefits-in-kind	975,439 90,904 22,125	668,388 51,732 8,800	653,924 78,072 22,125	325,805 38,844 8,800
	1,088,468	728,920	754,121	373,449
Other key management personnel				
Salaries, bonus, allowances and others Defined contribution plan Benefits-in-kind	576,615 69,204 8,800	884,791 71,819 13,750	- - -	_ _ _
_	654,619	970,360	-	_
_	2,509,330	2,442,577	977,321	578,049

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
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback Amendments to MFRS 101 Classification of Liabilities as Current or	1 January 2024
Non-current	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants Amendments to MFRS 107 and MFRS 7 Supplier Finance	1 January 2024
Arrangements	1 January 2024

The 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 2025

The following are Standards and Amendments to 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 121 Lack of Exchangeability Amendments to MFRS 9 and MFRS 7 Amendments to the	1 January 2025
Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11 Amendments to MFRS 9 and MFRS 7 Contracts Referencing	1 January 2026
Nature-dependent Electricity	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures Amendments to MFRS 10 and MFRS 128 Sale or Contribution of	1 January 2027
Assets between an Investor and its Associate or Joint Venture	Deferred

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

35. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 21 July 2025, the Board of Directors of the Company announced that the Board had received a notice of conditional voluntary take-over offer from UOB Kay Hian (M) Sdn. Bhd. (formerly known as UOB Kay Hian Securities (M) Sdn. Bhd.) served on behalf of Magni Vantage Limited ("Offeror"), a company incorporated in British Virgin Islands, to acquire all the 83,882,800 ordinary shares in the Company representing 100.00% of the total issued shares of the Company (excluding treasury shares) not already held by the Offeror and Mr Chen Yiy Fon ("Ultimate Offeror") for a cash offer price of RM1.60 per offer share.

Subsequently, as at the date of this report, the Offeror has acquired a total of 57.6% of the issued shares of the Company (excluding treasury shares), and accordingly, the Offeror has become the holding company of the Company.

List of Properties

As at 30 June 2025

Location/ Address	Description	Area M² (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)	47	Factory Premises	Leasehold for 60 years expiring in 2038	412	1991
Lot 22 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	45	Factory Premises	Leasehold for 60 years expiring in 2040	535	1991
Lot 24 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	4,047 (1)	45	Factory Premises	Leasehold for 60 years expiring in 2040	205	1991
PLO 97 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	39	Sales Office & Factory Premises	Leasehold for 60 years expiring in 2046	478	1991

Shareholders Information

As at 10 October 2025

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	149	2,300	0.003
100 – 1,000	671	591,194	0.705
1,001 – 10,000	743	2,940,738	3.506
10,001 - 100,000	115	3,170,909	3.780
100,001 to less than 5%	10	3,559,500	4.243
5% and above	3	73,618,159	87.763
Total	1,691	83,882,800	100.000

[#] 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	Magni Vantage Limited	48,318,770	57.603
2	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt An For LGT Bank AG (Local)	16,925,000	20.177
3	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For LGT Bank AG (Foreign)	8,374,389	9.983
4	Goh Yoke Aie	768,000	0.916
5	Maybank Nominees (Tempatan) Sdn. Bhd. Lee Chee Kong	607,700	0.724
6	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Yoon Sing	523,500	0.624
7	Yeoh Swee Leng	388,900	0.464
8	Chee Sai Mun	360,000	0.429
9	Law Hee Ling	266,800	0.318
10	Lee Yang Chan @ Lee Biang Chan	200,000	0.238
11	Na Chaing Ching	169,300	0.202

Shareholders Information As at 10 October 2025

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	% #
12	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Yoon Sing	165,900	0.198
13	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chee Sai Mun	109,400	0.130
14	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Leow Ming Fong @ Leow Min Fong	100,000	0.119
15	Maybank Nominees (Tempatan) Sdn. Bhd. Loo Ah Hooi	100,000	0.119
16	Chong Mee Hen	90,000	0.107
17	Pang Teck Fatt	90,000	0.107
18	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Foo Howe Kean	80,000	0.095
19	Yap Huey Jiuan	80,000	0.095
20	Apex Nominees (Tempatan) Sdn. Bhd. AISB For Kenneth Chieng	60,000	0.072
21	Lau Yen Shiong	60,000	0.072
22	Loke Kok Weng	60,000	0.072
23	Nar Swee Kim @ Nam Thah Tsai	60,000	0.072
24	Yeoh Phek Leng	59,000	0.072
25	Koh Tong Hong	51,500	0.061
26	Chuah Jia Han	50,000	0.060
27	Maybank Nominees (Tempatan) Sdn. Bhd. Chua Keng Min	50,000	0.060
28	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Meenambal A/P Vijayakumar	49,000	0.058
29	Pang Ching Chooi	46,500	0.055
30	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An For Boom Securities (H.K.) Limited	45,700	0.054
	Total	78,309,359	93.356

Shareholders Information As at 10 October 2025

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Ordinary Shares				
	Direct Interest	% #	Indirect Interest	% #	
Magni Vantage Limited	48,318,770	57.603	_	_	
Chen Yiy Fon	_	_	48,318,770 ^{*a}	57.603	
Tan Sri Dr Chen Lip Keong	16,925,000°b	20.177	8,374,389°c	9.983	
Blue Velvet Property Corp	8,374,389	9.983	_	_	

Notes:

SHAREHOLDINGS OF DIRECTORS / CHIEF EXECUTIVE WHO IS NOT A DIRECTOR

Number of Ordinary Shares Indirect/			
Direct Interest	% #	Deemed Interest	% #
_	_	48,318,770°b	57.603
_	_	25,299,389*c	30.160
_	_	_	_
_	_	_	_
_	_	_	_
_	_	_	_
			Direct Interest % # Deemed Interest - 48,318,770° b

Notes:

^{*}a Indirect interest by virtue of his interest in Magni Vantage Limited.

^{*}b 16,925,000 ordinary shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local).

^{*}c Indirect interest by virtue of his interest in Blue Velvet Property Corp.

^{*}a 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.

^{*}b Indirect interest by virtue of his interest in Magni Vantage Limited.

^{*}c 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 Sixth Annual General Meeting of FACB Industries Incorporated Berhad will be held at Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan on Wednesday, 10 December 2025 at 3.00 p.m. for the following purposes:

AGENDA

As Ordinary Business:

 To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of Directors and Auditors thereon. (Please see Explanatory Notes 1)

 To approve payment of Directors' fees and benefits up to RM350,000/- from the date of the Forty Sixth Annual General Meeting until the conclusion of the following Annual General Meeting of the Company. **Resolution 1**

- 3. To re-elect the following Directors who are retiring pursuant to regulation 21.2 of the Company's Constitution:
 - (i) Puan Sri Lee Chou Sarn
 - (ii) Mr Leong Choong Wah

Resolution 2
Resolution 3

4. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 4

As Special Business:

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

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

Resolution 5

"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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Notice of Annual General Meeting

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."

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

By Order of the Board

Lee Boo Tian LS 0007987 PC No. 202008002588 Company Secretary

Kuala Lumpur 30 October 2025

Notes:

- A member entitled to attend and vote at the Meeting 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.
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his 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.
- 3. The Proxy Form must be completed, signed and deposited at the Company's Registered Office not less than 48 hours before the time set for the Meeting or adjourned meeting.
- 4. Only members whose names appear in the Record of Depositors on 1 December 2025 shall be eligible to attend the Meeting.
- 5. 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.
- 6. Voting for all resolutions set out in the Notice of Meeting shall be by poll.

Notice of Annual General Meeting

Explanatory Notes:

- 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 1 is to facilitate payment of fees and benefits to Directors from the date of the current Annual General Meeting until the following Annual General Meeting which shall be held within six (6) months after the conclusion of the financial year 2026.
- 3. Ordinary Resolution on Sections 75 and 76 of the Companies Act 2016 Resolution 5 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.

Statement Accompanying Notice of Annual General Meeting

The Directors standing for re-election:

Puan Sri Lee Chou Sarn - Resolution 2

Mr Leong Choong Wah - Resolution 3

 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 2025 for the Directors are set out under Other Compliance Statements of this Annual Report.

Board of Directors supports the Directors standing for re-election after taking into consideration their performance, contribution and Nominating Committee's recommendation.

Annual Report

Annual Report 2025 is available at www.facbi.com (under Investor Relations - Annual Report).

Annual General Meeting

Please note that door gifts will not be provided.



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 Sixth Annual General Meeting of the Company which will be held at Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan on Wednesday, 10 December 2025 at 3.00 p.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1	Approval of Directors' fees and benefits		
2	Re-election of Puan Sri Lee Chou Sarn as Director		
3	Re-election of Mr Leong Choong Wah as Director		
4	Re-appointment of BDO PLT as Auditors and their remuneration		
5	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.)

abstain as ne/sne thi	nks iit.)		
Signed this	day of	2025	
Signature/Seal of Sh	areholder		

NOTES:

- A member entitled to attend and vote at the Meeting 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.
- 2. 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.
- 3. The Proxy Form must be completed, signed and deposited at the Company's registered office not less than 48 hours before the time set for the Meeting or adjourned Meeting.
- 4. 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.
- 5. Only members whose names appear in the Record of Depositors on 1 December 2025 shall be entitled to attend the Meeting.
- 6. Voting for all resolutions set out in the Notice of Meeting shall be by poll.



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AFFIX STAMP

The Company Secretary **FACB Industries Incorporated Berhad**197901004632 (48850-K)

Etiqa Twins, Tower 1

Level 13, 11 Jalan Pinang
50450 Kuala Lumpur

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