



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME For The First Quarter Ended 30 September 2024**
(The figures have not been audited)

	Current Quarter Ended 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000
Revenue	8,536	12,107
Cost of sales	(5,079)	(7,472)
Gross profit	3,457	4,635
Other income	1,706	1,625
Operating expenses	(4,310)	(4,862)
Finance costs	(19)	(20)
Share of results of associates, net of tax	(92)	75
Profit before tax	742	1,453
Tax expense	(266)	(390)
Net profit for the quarter	476	1,063
Other comprehensive (loss)/income, net of tax:		
Foreign currency translation	(1,336)	(269)
Total comprehensive (loss)/income for the quarter	(860)	794
Profit/(Loss) attributable to:		
Owners of the parent	563	1,033
Non-controlling interests	(87)	30
	476	1,063
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(176)	884
Non-controlling interests	(684)	(90)
	(860)	794
Earnings per ordinary share attributable to equity holders of the parent:		
Basic and diluted (sen)	0.67	1.23
Dividend per share (sen) (Proposed/Declared)		
Interim	-	-
Final	-	-

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2024)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 September 2024

	Unaudited As At 30/09/2024 RM'000	Audited As At 30/06/2024 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,287	2,904
Right-of-use assets	1,320	1,549
Intangible assets	-	5
Investments in associates	22,235	23,616
Financial assets at amortised cost	29,826	29,816
Financial assets at fair value through other comprehensive income ("FVTOCI")	10,175	10,175
Other receivables	15	16
Deferred tax assets	1,702	1,702
	68,560	69,783
Current Assets		
Inventories	7,136	6,231
Trade and other receivables	6,179	6,534
Current tax assets	575	405
Deposits, cash and bank balances	159,428	160,948
	173,318	174,118
TOTAL ASSETS	241,878	243,901
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	114,152	114,152
Treasury shares	(1,225)	(1,225)
Other reserves	(22,977)	(22,238)
Retained earnings	128,171	127,608
	218,121	218,297
Non-controlling interests	15,081	15,765
TOTAL EQUITY	233,202	234,062
LIABILITIES		
Non-Current Liabilities		
Lease liabilities	363	475
Deferred tax liabilities	422	422
	785	897
Current Liabilities		
Trade and other payables	4,566	5,245
Contract liability	2,715	2,893
Lease liabilities	531	653
Current tax liabilities	79	151
	7,891	8,942
TOTAL LIABILITIES	8,676	9,839
TOTAL EQUITY AND LIABILITIES	241,878	243,901
Net assets per share (RM)	2.60	2.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2024)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 September 2024

(The figures have not been audited)

	← Attributable to Owners of the Parent →					Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
In RM'000							
At 1 July 2024	114,152	(1,225)	(22,238)	127,608	218,297	15,765	234,062
Net profit/(loss) for the quarter	-	-	-	563	563	(87)	476
Other comprehensive loss							
- Foreign currency translation	-	-	(739)	-	(739)	(597)	(1,336)
Total comprehensive (loss)/income for the quarter	-	-	(739)	563	(176)	(684)	(860)
At 30 September 2024	114,152	(1,225)	(22,977)	128,171	218,121	15,081	233,202
At 1 July 2023	114,152	(1,225)	(18,953)	122,219	216,193	14,550	230,743
Net profit for the quarter	-	-	-	1,033	1,033	30	1,063
Other comprehensive loss							
- Foreign currency translation	-	-	(149)	-	(149)	(120)	(269)
Total comprehensive (loss)/income for the quarter	-	-	(149)	1,033	884	(90)	794
At 30 September 2023	114,152	(1,225)	(19,102)	123,252	217,077	14,460	231,537

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2024)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The First Quarter Ended 30 September 2024***(The figures have not been audited)*

	Current Quarter Ended 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000
Cash Flows from Operating Activities		
Profit before tax	742	1,453
Adjustments for :		
Accretion of discount on financial asset at amortised cost	(10)	(9)
Amortisation of intangible assets	5	7
Depreciation of property, plant and equipment	135	120
Depreciation of right-of-use assets	239	229
Gain on disposal of property, plant and equipment	(12)	-
Impairment losses on trade receivables	25	130
Interest expense on lease liabilities	19	20
Interest income	(1,680)	(1,615)
Reversal of impairment losses on trade receivables	-	-
Share of results of associates, net of tax	92	(75)
Operating (loss)/profit before working capital changes	(445)	260
Net changes in current assets	(689)	(2,057)
Net changes in current liabilities	(676)	(209)
Net changes in contract liability	(178)	(107)
Cash used in operations	(1,988)	(2,113)
Tax paid	(508)	(547)
Tax refunded	1	146
Net cash used in operating activities	(2,495)	(2,514)
Cash Flows from Investing Activities		
Interest received	1,765	1,669
Net placement of deposits placed with licensed banks with maturity more than three (3) months	(1,039)	(2,705)
Proceeds from disposal of property, plant and equipment	12	-
Purchase of property, plant and equipment	(519)	-
Net cash from/(used in) investing activities	219	(1,036)
Cash Flows from Financing Activities		
Dividend paid to non-controlling interest by a subsidiary	-	-
Payment of lease liabilities	(263)	(253)
Net cash used in financing activities	(263)	(253)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The First Quarter Ended 30 September 2024 (Cont'd)

(The figures have not been audited)

	Current Quarter Ended 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000
Net decrease in cash and cash equivalents	(2,539)	(3,803)
Effects of exchange rate changes on cash and cash equivalents	(20)	(6)
Cash and cash equivalents at beginning of the quarter	17,007	14,591
Cash and cash equivalents at end of the quarter	<u>14,448</u>	<u>10,782</u>
Cash and cash equivalents comprise:-		
Deposits with licensed banks	151,780	147,920
Cash and bank balances	7,648	6,971
	<u>159,428</u>	<u>154,891</u>
Deposits placed with licensed banks with maturity more than three (3) months	(144,980)	(144,109)
	<u>14,448</u>	<u>10,782</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2024)

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

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2024.

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

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2024 except for the adoption of the following Amendments of the MFRS Framework that were issued by the MASB during the financial period:-

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

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

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

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, and has identified the potential impact arising from the initial adoption of MFRS 18.

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

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

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

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

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

A2 Qualification of Financial Statements

The Group's most recent annual audited financial statements for the year ended 30 June 2024 was not qualified.

NOTES (IN COMPLIANCE WITH MFRS 134)**A3 Seasonal or Cyclical Factors**

The Group's operations for the current quarter were not materially affected by any seasonal or cyclical factors.

A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter.

A5 Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts reported in the previous financial years which have a material effect in the current quarter.

A6 Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter. As at 30 September 2024, total shares repurchased were 1,279,700 and all the shares repurchased were held as treasury shares.

A7 Dividend Paid

No dividend was paid during the current quarter.

A8 Reportable Segments

	<u>Bedding</u>	<u>Other</u> <u>Segments</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
For Current Quarter				
Ended 30 September 2024				
External revenue	8,536	-	-	8,536
Inter-segment revenue	-	25	(25)	-
Total	8,536	25	(25)	8,536
Segments results:				
Amortisation of intangible assets	(5)	-	-	(5)
Depreciation of property, plant and equipment	(118)	(17)	-	(135)
Depreciation of right-of-use assets	(162)	(77)	-	(239)
Interest expense on lease liabilities	(17)	(2)	-	(19)
Interest income	87	1,593	-	1,680
Reportable segment profit before tax	145	689	-	834
Share of results of associates	-	(92)	-	(92)
Total	145	597	-	742

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

	<u>Bedding</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
For Comparative Quarter				
Ended 30 September 2023				
External revenue	12,107	-	-	12,107
Inter-segment revenue	-	25	(25)	-
Total	<u>12,107</u>	<u>25</u>	<u>(25)</u>	<u>12,107</u>
Segments results:				
Amortisation of intangible assets	(7)	-	-	(7)
Depreciation of property, plant and equipment	(109)	(11)	-	(120)
Depreciation of right-of-use assets	(152)	(77)	-	(229)
Interest expense on lease liabilities	(12)	(8)	-	(20)
Interest income	63	1,552	-	1,615
Reportable segment profit before tax	653	725	-	1,378
Share of results of associates	-	75	-	75
Total	<u>653</u>	<u>800</u>	<u>-</u>	<u>1,453</u>

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

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

A10 Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A11 Changes in Contingent Liabilities or Contingent Assets

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

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B1 Performance Review**

Current Quarter vs Preceding Year Comparative Quarter

	Current Quarter 30/09/2024 RM'000	Preceding Year Comparative Quarter 30/09/2023 RM'000	Changes %
Revenue	8,536	12,107	-29%
Gross profit	3,457	4,635	-25%
Profit before tax	742	1,453	-49%
Additional Information: Share of results of associates	(92)	75	-223%

The Group recorded revenue of RM8.54 million and profit before tax (PBT) of RM0.74 million for the current quarter ended 30 September 2024 compared to revenue of RM12.11 million and PBT of RM1.45 million in the preceding year comparative quarter, representing a decrease in revenue of 29% and PBT of 49%. The lower revenue and PBT for the current quarter were mainly due to lower revenue and PBT reported from bedding operation in Malaysia.

The bedding operation in Malaysia recorded a PBT of RM0.13 million compared to PBT of RM0.65 million in the preceding year comparative quarter. Lower revenue reported at RM8.13 million compared to RM11.69 million in the preceding year comparative quarter, representing sales decline by 30% mainly due to lower consumer sales.

Associates in China recorded a net loss of RM0.09 million for the current quarter compared to a net profit of RM0.08 million in the preceding year comparative quarter. Loss reported in the current quarter mainly due to low demand for steam.

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

	Current Quarter 30/09/2024 RM'000	Immediate Preceding Quarter 30/06/2024 RM'000	Changes %
Revenue	8,536	9,311	-8%
Gross profit	3,457	4,313	-20%
Profit before tax	742	3,708	-80%
Additional Information: Share of results of associates	(92)	1,235	-107%

The Group registered lower revenue of RM8.54 million for the current quarter compared to RM9.31 million registered in the immediate preceding quarter ended 30 June 2024. A lower PBT of RM0.74 million reported for the current quarter versus RM3.71 million in the immediate preceding quarter.

The bedding operation in Malaysia reported lower revenue of RM8.13 million compared to RM8.92 million in the immediate preceding quarter mainly due to lower sales from Event Sales. A lower PBT was recorded at RM 0.13 million versus RM1.60 million mainly due to higher gross profit margin and lower administrative expenses incurred in preceding quarter.

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

Associates in China recorded a net loss of RM0.09 million compared to a net profit of RM1.24 million in the immediate preceding quarter. Operating performance this quarter is affected by lower demand for steam. Included in the immediate preceding quarter was reversal of assets impairment totalled RM0.47 million.

B3 Current Year Prospects

The Group expects performance for the financial year ending 30 June 2025 remains challenging. The domestic economic outlook is challenging to predict as it depends on global economic dynamics and domestic development. For Malaysia, it is charting a path towards robust economic growth, a smaller fiscal deficit and stable prices, bolstering its currency and investment appeal.

The Group will remain cautious and continue to undertake various initiatives by bolstering dealer networks, expanding direct sales capabilities and innovating products lines to meet evolving consumer preferences.

B4 Achievability of Forecast Profit

This note is not applicable.

B5 Variance of Actual Profit from Forecast Profit or Profit Guarantee

This note is not applicable.

B6 Notes to the Condensed Consolidated Statement of Profit or Loss

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

	Current Quarter Ended <u>30/09/2024</u> RM'000	Comparative Quarter Ended <u>30/09/2023</u> RM'000
Accretion of discount on financial asset at amortised cost	(10)	(9)
Amortisation of intangible assets	5	7
Depreciation of property, plant and equipment	135	120
Depreciation of right-of-use assets	239	229
Gain on disposal of property, plant and equipment	(12)	-
Impairment losses on trade receivables	25	130
Interest expense on lease liabilities	19	20
Interest income	<u>(1,680)</u>	<u>(1,615)</u>

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

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BMSB**B7 Tax expense**

Tax expense comprises the following: -

	Current Quarter Ended <u>30/09/2024</u> RM'000	Comparative Quarter Ended <u>30/09/2023</u> RM'000
<u>Current tax</u>		
Current year - Malaysia	<u>266</u>	<u>390</u>

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

B8 Status of Corporate Proposals

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

B9 Group Borrowing

There was no borrowing as at 30 September 2024.

B10 Derivative Financial Instruments

The Group has no outstanding derivative financial instruments as at 30 September 2024.

B11 Changes in Material Litigation

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

B12 Dividend Proposed or Declared

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the Board of Directors has recommended a final single-tier dividend of 2.0 sen per ordinary share amounting to approximately RM1,677,656 in respect of the financial year ended 30 June 2024, with entitlement date 31 December 2024 and payable on 21 January 2025.

B13 Earnings per Share

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

	Current Quarter Ended <u>30/09/2024</u> RM'000	Comparative Quarter Ended <u>30/09/2023</u> RM'000
Net profit attributable to owners of the parent	<u>563</u>	<u>1,033</u>

By Order of the Board

FACB INDUSTRIES INCORPORATED BERHAD

Lee Boo Tian

LS 0007987

PC NO. 202008002588

Group Company Secretary

Kuala Lumpur

Date: 27 November 2024