

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Quarter 30.6.2023 RM	Preceding Quarter 30.6.2022 RM	Current Year To Date 30.6.2023 RM	Preceding Year To Date 30.6.2022 RM
Revenue	A9	10,481,038	10,584,756	45,534,491	49,136,405
Cost of sales		(2,418,709)	(4,848,841)	(13,478,183)	(15,189,554)
Gross profit		8,062,329	5,735,915	32,056,308	33,946,851
Other income		291,215	1,260,598	1,917,547	1,662,619
Administrative expenses		(1,945,531)	(3,463,373)	(6,710,299)	(8,125,046)
Other operating expenses		(318,981)	(87,569)	(1,271,860)	(249,932)
Selling and distribution expenses		(1,515,938)	(1,718,034)	(6,231,536)	(7,130,894)
Profit before tax	B10	4,573,093	1,727,537	19,760,160	20,103,598
Taxation	B5	(1,062,609)	(283,589)	(4,767,764)	(4,178,769)
Profit after tax		3,510,484	1,443,948	14,992,396	15,924,829
Other comprehensive income		-	-	(66,667)	(33,333)
Total comprehensive income		3,510,484	1,443,948	14,925,729	15,891,496
Profit after tax attributable to:					
- Owners of the Company		3,510,484	1,443,948	14,992,396	15,924,829
Total comprehensive income attributable to:					
- Owners of the Company		3,510,468	1,443,948	14,925,729	15,891,496
Earnings per share (sen)					
- Basic	B9	1.10	0.45	4.72	5.01
- Diluted	B9	1.10	0.45	4.72	5.01

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 30.6.2023 RM	Audited As at 30.06.2022 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	50,986,869	41,734,681
Intangible assets	6,995,703	7,324,788
Investment in quoted shares	4,900,000	4,966,667
	62,882,572	54,026,136
CURRENT ASSETS		
Inventories	22,862,168	19,720,507
Trade receivables	21,389,175	15,686,149
Other receivables, deposits and prepayments	2,164,440	2,390,804
Cash and cash equivalents	7,466,926	20,379,270
Asset classified as held for sale	-	232,473
	53,882,709	58,409,203
TOTAL ASSETS	116,765,281	112,435,339
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,988,160	60,122,500
Merger reserve	(14,225,998)	(14,225,998)
Share option reserve	784,860	640,000
Fair value reserve	3,700,000	3,766,667
Retained profits	54,713,013	50,234,351
TOTAL EQUITY	105,960,035	100,537,520
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,295,075	960,027
Government grants	4,408,123	5,021,225
	5,703,198	5,981,252
CURRENT LIABILITY		
Trade and other payables	5,102,048	5,916,567
	5,102,048	5,916,567
TOTAL LIABILITIES	10,805,246	11,897,819
TOTAL EQUITY AND LIABILITIES	116,765,281	112,435,339
No. of ordinary shares	318,719,815	317,793,815
Net asset per share	0.33	0.32

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM	Merger Reserve RM	Share Option Reserve RM	Fair Value Reserve RM	Retained Profits RM	Total Attributable to Owners of the Company RM
<u>Period Ended 30 June 2022</u>						
At 1 July 2021	60,074,000	(14,225,998)	-	3,800,000	44,477,324	93,944,736
Share options granted under ESOS	-	-	648,000	-	-	648,000
Ordinary shares issued pursuant to ESOS	48,500	-	(8,000)	-	-	40,500
Dividend	-	-	-	-	(10,167,802)	(10,167,802)
Total comprehensive income for the period	-	-	-	(33,333)	15,924,829	15,891,496
At 30 June 2022	60,122,500	(14,225,998)	640,000	3,766,667	50,234,351	100,356,930
<u>Period Ended 30 June 2023</u>						
At 1 July 2022	60,122,500	(14,225,998)	640,000	3,766,667	50,234,351	100,356,930
Share options granted under ESOS	-	-	268,600	-	-	268,600
Ordinary shares issued pursuant to ESOS	865,660	-	(123,740)	-	-	741,920
Dividend	-	-	-	-	(10,513,734)	(10,513,734)
Total comprehensive income for the period	-	-	-	(66,667)	14,992,396	14,925,729
At 30 June 2023	60,988,160	(14,225,998)	784,860	3,700,000	54,713,013	105,779,445

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	For the Financial Period Ended 30.6.2023 RM	For the Financial Period Ended 30.6.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,760,160	20,103,598
Adjustments for:		
Non-cash items	(253,856)	(467,652)
Non-operating items	(92,107)	2,198,620
Operating profit before working capital changes	<u>19,414,197</u>	<u>21,834,566</u>
Changes in working capital:		
Inventories	(3,141,661)	(5,200,530)
Receivables	(5,683,277)	(2,703,356)
Payables	850,357	2,788,653
Cash generated from operations	<u>11,439,617</u>	<u>16,719,333</u>
Interest received	317,651	445,960
Tax paid	(5,875,683)	(4,894,554)
Net cash generated from operating activities	<u>5,881,584</u>	<u>12,270,739</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,320,902)	(9,116,621)
Development expenditure	(715,160)	(695,535)
Proceeds from disposal of property, plant and equipment	836,876	-
Dividend received	53,333	33,333
Government grants received		326,222
Net cash used in investing activities	<u>(9,145,853)</u>	<u>(9,452,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(10,513,734)	(10,167,802)
Proceeds from the issuance of ESOS	865,660	40,500
Net cash used in financing activities	<u>(9,648,074)</u>	<u>(10,127,302)</u>
Net change in cash and cash equivalents	(12,912,342)	(7,309,164)
Cash and cash equivalents at beginning of the financial period	<u>20,379,270</u>	<u>27,688,434</u>
Cash and cash equivalents at end of the financial period	<u>7,466,928</u>	<u>20,379,270</u>

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CON'T)

	For the Financial Period Ended 30.6.2023 RM	For the Financial Period Ended 30.6.2022 RM
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	111,998	109,100
Placement in Money Market Funds	6,682,259	19,324,993
Cash and bank balances	672,669	945,177
	<u>7,466,926</u>	<u>20,379,270</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirement”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

A2 Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2022. The Group have not applied the following new standards, amendments and IC Interpretation that have been issued by the MASB and relevant to its operation but are not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024

The above standards, amendments and IC Interpretation are not expected to have significant impact on the financial statements of the Group upon their initial application.

A3 Auditors' Report

The audited financial statements of the Group for the financial year ended 30 June 2022 was not subject to any audit qualification.

A4 Comments about Seasonal and Cyclical Factors

The Group's business operations for the quarter ended 30 June 2023 were not materially affected by significant seasonal or cyclical fluctuations.

A5 Items or Unusual Nature and Amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023 (CON'T)****A6 Changes in Estimates**

There were no major changes in estimates that have had a material effect in the current quarter under review.

A7 Debt and Equity Securities**Employees' Share Option Scheme ("ESOS")**

The Group has implemented an ESOS of up to fifteen percent (15%) of the issued and paid-up share capital for the eligible employees and directors of the Group effective from 24 November 2021. The Group had offered the options to its eligible employees and directors under the ESOS as follows:

Date Granted	Amount Granted	Exercise Price	Exercise Period
1 June 2022	4,050,000	RM0.81	01/06/2022 – 31/05/2024
1 September 2022	2,686,000	RM0.79	01/09/2022 – 31/08/2024

The movement of the ESOS granted during the quarter under review are disclosed as below:-

	Balance as at 1.7.2022	Granted	Exercised	Balance as at 30.6.2023
ESOS Grant 1	4,000,000	-	(519,000)	3,481,000
ESOS Grant 2	2,686,000	-	(407,000)	2,279,000
	<u>7,686,000</u>	<u>-</u>	<u>(926,000)</u>	<u>5,760,000</u>

Save as disclosed above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current financial quarter under review.

A8 Dividends Paid

There were no dividends paid during the quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023 (CON'T)****A9 Segmental Reporting**

The Group's revenue based on the geographical location of its customers is as follows:

	Current Quarter 30.6.2023 RM	Preceding Quarter 30.6.2022 RM	Current Year To Date 30.6.2023 RM	Preceding Year To Date 30.6.2022 RM
Malaysia	8,529,623	10,432,955	43,004,435	48,391,678
Others	1,951,414	151,801	2,530,056	744,727
	10,481,038	10,584,756	45,534,491	49,136,405

The Group's revenue based on the activities is as follows:

	Current Quarter 30.6.2023 RM	Preceding Quarter 30.6.2022 RM	Current Year To Date 30.6.2023 RM	Preceding Year To Date 30.6.2022 RM
House Brand	7,407,430	9,037,769	39,358,147	45,647,908
OEM	3,073,608	1,546,987	6,176,344	3,488,497
	10,481,038	10,584,756	45,534,491	49,136,405

A10 Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on property, plant and equipment in the current quarter under review.

A11 Capital Commitments

The Group did not have any capital commitments in the current quarter under review.

A12 Subsequent Events

There were no events subsequent to the end of the current financial period from the date of the issue of this report that are expected to have a material impact on the Group.

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023 (CON'T)

A13 Changes in Composition of the Group

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

A14 Contingent Liabilities

There were no contingent liabilities as at the date of this interim report.

A15 Significant Related Party Transactions

There were no significant related party transactions in the current quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT

B1 Group Performance Review

(a) Performance of the current quarter (Q4 2023) against the preceding quarter (Q4 2022)

The Group recorded revenue of RM10.48 million for the current quarter under review compared to RM10.58 million for the preceding quarter. Revenue from House Brand of RM8.5 million contributed 82% of the total revenue for the current quarter under review with a decrease of 18% comparing to the preceding quarter. The revenue from OEM experienced an increase of 98.7% from preceding quarter since the Company focuses more on selling OEM products.

Administrative expenses fell while other operating expenses increased and the selling and distribution expenses remained nearly the same and this is consistent with the Group managing to attain a consistent level of expenses during the current quarter under review.

The Group's profit after tax (PAT) for current quarter under review is RM3.51 million or higher by 143.7% than the PAT of RM1.44 million recorded in the preceding quarter. The increase in the PAT was mainly contributed by slightly lower revenue recorded in the current quarter followed by decrease in administrative expenses as described above.

(b) Performance of the current cumulative quarter (12 months Q4 2023) against the preceding cumulative quarter (12 months Q4 2022)

The Group recorded revenue of RM45.53 million for the current cumulative quarter under review compared to RM49.14 million for the preceding cumulative quarter. Revenue from House Brand contributed 86% of the total revenue for the current cumulative quarter under review and recorded a decrease of 13.8% as compared to preceding cumulative quarter. The decrease of 9.1% in the total revenue was mainly due to lower sales contribution from House Brand segment.

The increase in other income was mainly due to the gain on disposal of land and building located at Mukim Rantau, Seremban and amortization of government grant during cumulative quarter under review. No disposal and amortisation of government grant made in preceding cumulative quarter.

The decrease in administrative expenses were mainly due to decrease in staff cost during current cumulative quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT****B1 Group Performance Review (con't)**

The increase in other operating expenses was mainly due to the increase in amortisation of development cost as compared to the preceding cumulative quarter as a result of the increase in new products launched in the market.

The decrease in selling and distribution expenses were mainly due to the decrease in customer and salesman commission expenses which is in tandem with the decrease in revenue in the current cumulative quarter.

The Group's PAT for current cumulative quarter under review is RM15.01 million or 5.7% lower than the PAT of RM15.92 million recorded in the preceding cumulative quarter. The decrease in the PAT was mainly due to lower revenue generated by the Group in the current cumulative quarter.

B2 Performance of the current quarter (Q4 2023) against the immediate preceding quarter (Q3 2023)

	Current Quarter 30.6.2023 RM	Immediate Preceding Quarter 31.3.2023 RM	Difference RM	%
Revenue	10,481,038	11,043,331	(562,293)	(5)
Profit before tax	4,573,093	3,895,208	677,886	17
Profit after tax	3,510,484	2,937,468	573,017	20

For the quarter under review, the Group's revenue decreased by 5% from RM11.04 million to RM10.48 million. This was mainly due to adjustments for sales that were to be recognised in the next quarter.

The increase in profit before tax is mainly due to the gain on disposal of land and building located at Mukim Rantau, Seremban made in a previous quarter. The decrease in profit after tax as compared to immediate preceding quarter is due to an increase the provision of taxation for the current year.

B3 Prospects for the Current Financial Year

The Group continued to drive its strategic initiatives with a focus on the fundamentals by expanding the product portfolio and reach, and production efficiencies within the Group. The Group will emphasis on sustaining market interests by paying close attention to meet consumer's expectations. The Group also has implemented adequate safety protocols to ensure the product quality is maintained.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT**B4 Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5 Taxation

	Current Quarter 30.6.2023 RM	Preceding Quarter 30.6.2022 RM	Current Year To Date 30.6.2023 RM	Preceding Year To Date 30.6.2022 RM
Income Tax	727,561	24,777	4,432,714	3,919,957
Deferred Tax	335,048	258,812	335,048	258,812
	<u>1,062,609</u>	<u>283,589</u>	<u>4,767,764</u>	<u>4,178,769</u>
Effective tax rate	23.2	16.4	24.1	20.8

The effective tax rate for the current quarter and current year to date were approximately the same as the statutory tax rate of 24%.

B6 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B7 Group Borrowings

As at the date of this report, the Group has no bank borrowings.

B8 Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B9 Earnings per Share**

i) Basic Earnings Per Share

The basic earnings per share are computed based on the profit attributable to the equity shareholders of the Company divided by the total number of ordinary shares in issue for the period as follows:

	Current Quarter 30.6.2023	Preceding Quarter 30.6.2022	Current Year To Date 30.6.2023	Preceding Year To Date 30.6.2022
Profit after taxation attributable to owners of the Company (RM)	3,510,484	1,443,948	14,992,396	15,924,829
Weighted average issued share capital	318,719,815	317,746,144	318,719,815	317,746,144
Basic earnings per share (sen)	1.10	0.45	4.72	5.01

ii) Diluted Earnings Per Share

Diluted earnings per share arising from the share options granted under ESOS of the Group is computed as follows:

	Current Quarter 30.6.2023	Preceding Quarter 30.6.2022	Current Year To Date 30.6.2023	Preceding Year To Date 30.6.2022
Profit after taxation attributable to owners of the Company (RM)	3,510,484	1,443,948	14,992,396	15,924,829
Weighted average issued share capital	318,427,991	317,746,144	318,427,991	317,746,144
Effect of dilution due to ESOS	170,550	28,636	170,550	28,636
Adjusted weighted average number of share capital	318,598,541	317,774,780	318,598,541	317,774,780
Diluted earnings per share (sen)	1.10	0.45	4.72	5.01

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2023**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B10 Profit Before Tax**

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

	Current Quarter 30.6.2023 RM	Preceding Quarter 30.6.2022 RM	Current Year To Date 30.6.2023 RM	Preceding Year To Date 30.6.2022 RM
Cost of inventories recognised as an expense	870,627	3,467,844	13,478,183	10,006,301
Depreciation	336,923	295,860	1,284,296	1,165,708
Amortisation of intangible assets	264,245	129,993	1,044,245	129,993
Share options granted under ESOS	107,440	-	268,600	-
Realised loss on foreign exchange	9,729	1,160,971	90,305	1,420,627
Unrealised loss on foreign exchange	11,460	18,330	19,824	89,369
Interest income	(43,537)	648,000	(317,651)	648,000
Amortisation of deferred income	(153,275)	34	(613,101)	1,594
Realised gain on foreign exchange	(36,410)	(94,850)	(208,175)	(445,960)
Unrealised gain on foreign exchange	(13,548)	(1,141,032)	(47,557)	(1,141,032)
Gain on disposal of fixed assets	-	(75,163)	(591,965)	(118,596)
Other income	(24,409)	(505)	(31,706)	(15,100)
Dividend income	-	-	(53,333)	-

B11 Declared Dividend

There has been no dividend declared during the quarter under review

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)

B12 Authorisation for issue

The quarter financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 18 August 2023.

BY ORDER OF THE BOARD

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Kuala Lumpur
18 August 2023