

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Quarter 31.12.2023 RM	Preceding Quarter 31.12.2022 RM	Current Year To Date 31.12.2023 RM	Preceding Year To Date 31.12.2022 RM
Revenue	A9	10,217,801	12,002,851	20,662,669	24,010,122
Cost of sales		(3,864,438)	(3,621,485)	(7,798,782)	(6,898,780)
Gross profit		6,353,363	8,381,366	12,863,886	17,111,342
Other income		480,489	967,833	782,787	1,378,270
Administrative expenses		(1,492,024)	(1,654,806)	(2,979,598)	(3,210,501)
Other operating expenses		(422,766)	(305,366)	(1,093,445)	(644,298)
Selling and distribution expenses		(1,245,195)	(1,730,334)	(2,753,118)	(3,335,071)
Profit before tax	B10	3,673,868	5,658,693	6,820,512	11,299,742
Taxation	B5	(613,707)	(1,376,860)	(1,162,395)	(2,747,415)
Profit after tax		3,060,160	4,281,833	5,658,117	8,552,327
Other comprehensive income		(53,333)	-	(53,333)	(66,667)
Total comprehensive income		3,006,827	4,281,833	5,711,450	8,485,660
Profit after tax attributable to:					
- Owners of the Company		3,060,160	4,281,833	5,658,117	8,552,327
Total comprehensive income attributable to:					
- Owners of the Company		3,006,827	4,281,833	5,711,450	8,485,660
Earnings per share (sen)					
- Basic	B9	0.96	1.35	1.73	2.69
- Diluted	B9	0.96	1.34	1.74	2.69

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31.12.2023 RM	Audited As at 30.6.2023 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	51,056,117	50,986,869
Intangible assets	6,953,575	6,995,703
Investment in quoted shares	4,900,000	4,900,000
	<u>62,909,692</u>	<u>62,882,572</u>
CURRENT ASSETS		
Inventories	22,952,589	22,862,168
Trade receivables	19,129,385	21,452,610
Other receivables, deposits and prepayments	6,232,097	2,150,456
Cash and cash equivalents	7,782,725	9,118,238
Asset classified as held for sale	-	-
	<u>56,096,796</u>	<u>55,583,472</u>
TOTAL ASSETS	<u>119,006,488</u>	<u>118,466,044</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,988,160	60,988,160
Merger reserve	(14,225,998)	(14,225,998)
Share option reserve	784,860	784,680
Fair value reserve	3,700,000	3,700,000
Retained profits	56,239,862	54,713,013
TOTAL EQUITY	<u>107,486,884</u>	<u>105,960,035</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,295,075	1,295,075
Government grants	4,101,573	4,408,124
	<u>5,396,648</u>	<u>5,827,976</u>
CURRENT LIABILITY		
Trade and other payables	6,122,956	6,802,810
	<u>6,122,956</u>	<u>6,802,810</u>
TOTAL LIABILITIES	<u>11,519,604</u>	<u>12,506,009</u>
TOTAL EQUITY AND LIABILITIES	<u>119,006,488</u>	<u>118,466,044</u>
No. of ordinary shares	318,719,815	318,719,815
Net asset per share	0.34	0.33

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 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 31 December 2022</u>						
At 1 July 2022	60,122,500	(14,225,998)	640,000	3,766,667	50,234,351	100,537,520
Share options granted under ESOS	-	-	214,880	-	-	214,880
Ordinary shares issued pursuant to ESOS	740,280	-	(123,200)	-	-	617,080
Dividend	-	-	-	-	(3,980,798)	(3,980,798)
Total comprehensive income for the period	-	-	-	(66,667)	8,552,327	8,485,660
At 31 December 2022	60,862,780	(14,225,998)	731,680	3,700,000	54,805,880	105,874,342
<u>Period Ended 31 December 2023</u>						
At 1 July 2023	60,988,160	(14,225,998)	784,860	3,700,000	54,713,013	105,960,035
Dividend	-	-	-	-	(3,983,998)	(3,983,998)
Total comprehensive income for the period	-	-	-	-	5,658,117	5,658,117
At 31 December 2023	60,988,160	(14,225,998)	784,860	3,700,000	56,387,132	107,634,154

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Financial Period Ended 31.12.2023 RM	For the Financial Period Ended 31.12.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,673,241	11,299,742
Adjustments for:		
Non-cash items	(251,160)	605,979
Non-operating items	872,653	(848,747)
Operating profit before working capital changes	<u>7,294,735</u>	<u>11,056,974</u>
Changes in working capital:		
Inventories	(90,421)	(2,213,667)
Receivables	2,911,437	(3,724,069)
Payables	(438,086)	381,301
Cash generated from operations	<u>9,677,665</u>	<u>5,500,539</u>
Interest received	133,368	191,010
Tax paid	(2,858,245)	(2,502,969)
Net cash generated from operating activities	<u>6,952,788</u>	<u>3,188,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(828,452)	(8,823,415)
Investment in subsidiaries	(1,500,000)	-
Development expenditure	(377,872)	(355,516)
Proceeds from disposal of property, plant and equipment	-	836,876
Dividend received	53,333	53,333
Government grants received	-	-
Net cash used in investing activities	<u>(2,652,990)</u>	<u>(8,288,722)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,983,998)	(3,980,798)
	-	740,280
Net cash used in financing activities	<u>(3,983,998)</u>	<u>(3,240,518)</u>
Net change in cash and cash equivalents	315,800	(8,340,660)
Cash and cash equivalents at beginning of the financial period	7,466,926	20,379,270
Cash and cash equivalents at end of the financial period	<u>7,782,726</u>	<u>12,038,610</u>

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

	For the Financial Period Ended 31.12.2023 RM	For the Financial Period Ended 31.12.2022 RM
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	113,410	110,672
Placement in Money Market Funds	6,510,610	11,210,644
Cash and bank balances	1,158,706	717,294
	<u>7,782,726</u>	<u>12,038,610</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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 2023 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 2023. 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 112	International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangement	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 2023 was not subject to any audit qualification.

A4 Comments about Seasonal and Cyclical Factors

The Group's business operations for the quarter ended 31 December 2023 were not materially affected by significant seasonal or cyclical fluctuations.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023 (CONT'D)****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.

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 1.7.2023	Granted	Exercised	Balance as at 30.9.2023
ESOS Grant 1	3,481,000	-	-	3,481,000
ESOS Grant 2	2,279,000	-	-	2,279,000
	<u>5,760,000</u>	<u>-</u>	<u>-</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

A single tier tax exempt final dividend of 1.25 sen per ordinary share amounted to RM3,980,998 in respect of the financial year ended 30 June 2023 was paid on 8 December 2023.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023 (CONT'D)****A9 Segmental Reporting**

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

	Current Quarter 31.12.2023 RM	Preceding Quarter 31.12.2022 RM	Current Year To Date 31.12.2023 RM	Preceding Year To Date 31.12.2022 RM
Malaysia	9,907,180	11,947,377	20,665,398	23,662,704
Others	310,621	55,474	310,621	347,418
	10,217,801	12,002,851	20,665,398	24,010,122

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

	Current Quarter 31.12.2023 RM	Preceding Quarter 31.12.2022 RM	Current Year To Date 31.12.2023 RM	Preceding Year To Date 31.12.2022 RM
House Brand	8,074,394	11,390,840	17,985,223	22,442,425
OEM	2,143,407	612,011	2,680,175	1,567,697
	10,217,801	12,002,851	20,665,398	24,010,122

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 SECOND QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

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 (Q2 2024) against the preceding quarter (Q2 2023)

The Group recorded revenue of RM 10.218 million for the current quarter under review compared to RM 12.001 million for the preceding quarter. Revenue from House Brand was RM 8.074 million for the current quarter compared with RM 11.391 million for the preceding quarter, a decrease of 29%. The revenue from OEM was RM 2.143 million for the current quarter compared with RM 0.612 million for the previous quarter, an increase by over 250%.

Administrative expenses and selling & distribution expenses decreased slightly whereas other operating expenses increased slightly. 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 RM 3.060 million or lower by 28% than the PAT of RM 4.282 million recorded in the preceding quarter. The decrease in the PAT was mainly contributed by lower revenue recorded in the current quarter followed by an increase in other operating expenses as described above.

(b) Performance of the current cumulative quarter (6 months Q2 2024) against the preceding cumulative quarter (6 months Q2 2023)

The Group recorded revenue of RM 20.665 million for the current cumulative quarter under review compared to RM 24.010 million for the preceding cumulative quarter. Revenue from House Brand was RM 17.985 million for the current cumulative quarter compared with RM 22.442 million for the preceding cumulative quarter, a decrease of 20%. The revenue from OEM was RM 2.680 million for the current cumulative quarter compared with RM 1.568 million for the previous quarter, an increase of 71%.

Other operating expenses and selling & distribution expenses increased slightly whereas administrative expenses decreased slightly. This is consistent with the Group managing to attain a consistent level of expenses during the current quarter under review.

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)**

The Group's profit after tax (PAT) for current cumulative quarter under review is RM 5.658 million or lower by 34% than the PAT of RM 8.552 million recorded in the preceding cumulative quarter. The decrease in the PAT was mainly contributed by lower revenue recorded in the current cumulative quarter followed by an increase in other operating expenses as described above.

B2 Performance of the current quarter (Q2 2024) against the immediate preceding quarter (Q1 2024)

	Current Quarter 31.12.2023 RM	Immediate Preceding Quarter 30.9.2023 RM	Difference RM	%
Revenue	10,217,801	10,444,868	(227,067)	(2.17)
Profit before tax	3,673,868	3,146,644	527,224	16.76
Profit after tax	3,060,160	2,597,957	462,203	17.79

The Group generates consistent revenue in the current and immediate preceding quarter. For the quarter under review, the Group's revenue decreased marginally by 2% i.e. RM 10.218 million from RM 10.445 million. The profit before and after tax increase marginally as a results of consistent revenue and level of expenses maintained by the Group since immediate preceding quarter.

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 emphase 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.

B4 Profit Forecast or Profit Guarantee

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

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B5 Taxation**

	Current Quarter 31.12.2023 RM	Preceding Quarter 31.12.2022 RM	Current Year To Date 31.12.2023 RM	Preceding Year To Date 31.12.2022 RM
Income Tax	613,707	1,376,860	1,162,395	2,747,415
Deferred Tax	-	-	-	-
	613,707	1,376,860	1,162,395	2,747,415
Effective tax rate	16.7	24.3	17.1	24.3

The effective tax rate for the current quarter and current year to date were lower than the statutory tax rate of 24% due to certain expenses not deductible for tax purposes that were not taken up.

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.

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 31.12.2023	Preceding Quarter 31.12.2022	Current Year To Date 31.12.2023	Preceding Year To Date 31.12.2022
Profit after taxation attributable to owners of the Company (RM)	3,060,160	4,281,833	5,658,117	8,552,327
Weighted average issued share capital	318,719,815	318,256,718	318,719,815	318,256,718
Basic earnings per share (sen)	0.95	1.35	1.78	2.69

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2023
B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)

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 30.9.2023	Preceding Quarter 30.9.2022	Current Year To Date 30.9.2023	Preceding Year To Date 30.9.2022
Profit after taxation attributable to owners of the Company (RM)	3,060,160	4,281,833	5,658,117	8,552,327
Weighted average issued share capital	318,719,815	318,256,718	318,719,815	318,256,718
Effect of dilution due to ESOS	-	190,498	-	190,498
Adjusted weighted average number of share capital	318,719,815	318,447,216	318,719,815	318,447,216
Diluted earnings per share (sen)	0.95	1.34	1.78	2.69

B10 Profit Before Tax

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

	Current Quarter 31.12.2023 RM	Preceding Quarter 31.12.2022 RM	Current Year To Date 31.12.2023 RM	Preceding Year To Date 31.12.2022 RM
Cost of inventories recognised as an expense	2,258,358	2,156,915	4,658,646	4,061,193
Depreciation	377,870	310,834	759,204	632,766
Amortisation of intangible assets	160,000	260,000	420,000	520,000
Share options granted under ESOS	-	107,440	-	214,880
Realised loss on foreign exchange	25,547	43,666	74,652	50,193
Unrealised loss on foreign exchange	(61,318)	9,436	(61,077)	8,256
Interest income	(68,950)	(96,391)	(133,147)	(191,010)
Amortisation of deferred income	(153,275)	(153,275)	(306,551)	(306,551)
Realised gain on foreign exchange	(9,209)	(98,405)	(20,358)	(155,099)
Unrealised gain on foreign exchange	688	-	(3,381)	(33,803)
Gain on disposal of fixed assets	-	(604,403)	-	(604,403)
Other income	(196,189)	(4,453)	(153,314)	(29,777)
Dividend income	(53,333)	-	(53,333)	(53,333)

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

B11 Declared Dividend

A single tier tax exempt final dividend of 1.25 sen per ordinary share amounted to RM3,980,998 in respect of the financial year ended 30 June 2023 was paid on 8 December 2023.

B12 Authorisation for issue

The quarter financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 20 February 2024.

BY ORDER OF THE BOARD

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Kuala Lumpur
20 February 2024