CRG INCORPORATED BERHAD

(Company No: 880257-A)
(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

HALF YEARLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURTIEIS HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN COPORATE EXERCISES UNDERTAKEN BY CRG INCORPORATED BERHAD ("CRG" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

CRG INCORPORATED BERHAD
(Company No: 880257-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (1)

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018(2) RM'000	31.12.2017 RM'000	31.12.2018(2) RM'000	31.12.2017 RM'000
Revenue	57,699	53,848	57,699	53,848
Cost of sales	(30,099)	(27,054)	(30,099)	(27,054)
Gross profit	27,600	26,794	27,600	26,794
Other operating income	234	408	234	408
Selling and distribution expenses	(15,057)	(15,251)	(15,057)	(15,251)
General and administrative expenses	(9,823)	(8,652)	(9,823)	(8,652)
Profit from operations	2,954	3,299	2,954	3,299
Finance costs	(363)	(420)	(363)	(420)
Profit before taxation	2,591	2,879	2,591	2,879
Taxation	(1,692)	(1,142)	(1,692)	(1,142)
Profit after taxation	**899**	**1,737**	**899**	**1,737**
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit and loss				
Foreign currency translations	47	(493)	47	(493)
Total other comprehensive income/ (loss), net of tax	47	(493)	47	(493)
Total comprehensive income	946	1,244	946	1,244
Profit attributable to owner of the parent	899	1,737	899	1,737
Total comprehensive income attributable to owner of the parent	946	1,244	946	1,244
Earnings per share attributable to owner of the parent (Sen) (3)				
- Basic	0.11	8.69	0.11	8.69

Notes:
(1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Financial Statement of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.*

(2) *For current financial period under review, the Group had reclassified sales trade margin (which was previously netted against revenue) to cost of sales. This reclassification, which amounted to RM5.03 million, arose from the adoption of MFRS 15 – Revenue from contracts with customers.*

(3) *Earning per share is computed based on the Company's number of ordinary shares in issue of 805,651,400 at the end of the reporting period and the then 20,000,000 as at 31 December 2017.*

CRG INCORPORATED BERHAD
(Company No: 880257-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (1)

	Unaudited as at 31.12.2018 RM'000	**Audited as at 30.6.2018 RM'000**
NON-CURRENT ASSETS		
Property, plant and equipment	32,983	32,495
Goodwill	20	20
Deferred tax assets	696	566
Total non-current assets	**33,699**	**33,081**
CURRENT ASSETS		
Inventories	22,443	19,242
Trade and other receivables	24,618	27,757
Current tax assets	335	1,318
Cash and bank balances	16,342	15,430
Total current assets	**63,738**	**63,747**
TOTAL ASSETS	**97,437**	**96,828**
EQUITY		
Share capital	68,000	68,000
Reserves	1,354	3,523
Total equity	**69,354**	**71,523**
NON-CURRENT LIABILITIES		
Borrowings	14,760	15,172
Provision for restoration costs	438	438
Deferred tax liabilities	17	-
Total non-current liabilities	**15,215**	**15,610**
CURRENT LIABILITIES		
Trade and other payables	11,243	7,800
Borrowings	750	1,332
Provision for restoration costs	212	212
Current tax liabilities	663	351
Total current liabilities	**12,868**	**9,695**
Total liabilities	**28,083**	**25,305**
TOTAL EQUITY AND LIABILITIES	**97,437**	**96,828**
Net assets per share (sen) (2)	8.61	8.88

Notes:
(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per share is computed based on the Company's number of ordinary shares in issue of 805,651,400 at the end of the reporting period and as at 30 June 2018.

CRG INCORPORATED BERHAD
(Company No: 880257-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (1)

	←Non-distributable→			
	Share capital	**Exchange translation reserve**	**Distributable retained earnings**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 July 2018 (as previously reported)	68,000	(251)	3,774	71,523
Adjustment arising from adoption of MFRS 9	-	107	(3,222)	(3,115)
As at 1 July 2018 (as adjusted)	68,000	(144)	552	68,408
Profit for the financial period	-	-	899	899
Foreign currency translation	-	47	-	47
Total comprehensive income for the period	-	47	899	946
As at 31 December 2018	**68,000**	**(97)**	**1,451**	**69,354**
As at 1 July 2017	20,000	297	48,001	68,298
Profit for the financial period	-	-	1,737	1,737
Foreign currency translation	-	(493)	-	(493)
Total comprehensive income for the period	-	(493)	1,737	1,244
As at 31 December 2017	**20,000**	**(196)**	**49,738**	**69,542**

Note:
(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.

CRG INCORPORATED BERHAD
(Company No: 880257-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (1)

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Cash flows from operating activities		
Profit before tax	2,591	2,879
Adjustments for:		
Depreciation of property, plant and equipment	1,507	1,418
Gain on disposal of property, plant and equipment	(1)	(1)
Impairment loss on trade receivables	1,061	-
Interest expenses	363	420
Interest income	(116)	(27)
Property, plant and equipment written off	254	15
Unrealised (gain)/ loss on foreign exchange, net	(43)	63
Operating profit before changes in working capital	5,616	4,767
Changes in working capital:		
Inventories	(3,201)	(1,647)
Trade and other receivables	(1,199)	(8,144)
Trade and other payables	2,827	3,052
Cash generated from/ (used in) operations	4,043	(1,972)
Tax paid	(1,105)	(1,146)
Tax refunded	795	18
Net cash generated from/ (used in) operating activities	3,733	(3,100)
Cash flows from investing activities		
Advances to other companies (2)	-	(3)
Interest received	116	27
Proceeds from disposal of property, plant and equipment	4	1
Purchase of property, plant and equipment	(1,595)	(1,024)
(Repayment to)/ Advances from other companies (2)	(11)	240
Net cash used in investing activities	(1,486)	(759)
Cash flows from financing activities		
Interest paid	(363)	(420)
Net (repayment)/ drawdown of bankers' acceptance	(639)	6,879
Repayment of term loans	(355)	(384)
Net cash (used in)/ from financing activities	(1,357)	6,075

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 [(1)] (cont'd)

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Net increase in cash and cash equivalents	890	2,216
Effects of exchange rate changes on cash and cash equivalents	22	(549)
Cash and cash equivalents at beginning of financial period	15,430	16,564
Cash and cash equivalents at end of financial period	**16,342**	**18,231**

Notes:
[(1)] The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.
[(2)] "other companies" refers to certain subsidiaries of Bonia Corporation Berhad ("Bonia") that were related to the Group prior to its demerger from Bonia.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

A1. Basis of Preparation

The interim financial statements of CRG and its subsidiaries (the "Group") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting. This is the interim financial report on the consolidated results for the half-year ended 31 December 2018 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities.

This report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2018. The explanatory notes attached to this report provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

A2. Accounting Policies

The significant accounting policies adopted by the Group in this report are consistent with those adopted in the Audited Financial Statements of the Group for the financial year ended 30 June 2018 except for the adoption of the following new accounting standards and amendments and interpretation:-

A2.1 Adoption of MFRS and amendments effective for financial periods beginning on or after 1 January 2018

Title	**Effective Date**
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	See MFRS 4 Paragraphs 46 and 48

The adoption of the above accounting standards and amendments has no significant impact on the financial statements of the Group except as mentioned below:

(a) MFRS 9, Financial Instruments

MFRS 9 replaces MFRS 139 which introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. MFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted.

A2. Accounting Policies (cont'd)

A2.1 Adoption of MFRS and amendments effective for financial periods beginning on or after 1 January 2018 (cont'd)

(a) MFRS 9, Financial Instruments (cont'd)

Classification and measurements of financial instruments

Under MFRS 9 financial assets are classified according to the entity's business model for managing the assets and the asset's contractual cash flow characteristics. The new standard contains three principal classification categories for financial assets which are measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

- Amortised cost - a financial assets is measured at amortised cost if the asset is held within a business model whose objective is to hold 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.

- FVOCI - a financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- FVTPL - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. The new requirements only affect the accounting for financial liabilities that are designated at FVTPL.

There was no material impact on the Group's financial assets and financial liabilities upon application of the new classification and measurements of financial instruments.

Impairment

MFRS 9 replaces the Incurred Loss model in MFRS 139 with a forward-looking Expected Credit Loss ("ECL") model. The ECL model applies to financial assets that are measured at amortised cost or at FVOCI and issued financial guarantee contracts.

The Group uses the Simplified Approach to calculate ECL for debtors based on its historical credit loss experience with debtors of similar credit risk characteristics, adjusted for forward-looking factors specific to the category of debtors and the economic environment.

In accordance with the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and has performed assessment on the impact on accounting to its financial assets as at 1 July 2018, of which the effects will be adjusted in the opening balances of the current period.

A2. Accounting Policies (cont'd)

A2.1 Adoption of MFRS and amendments effective for financial periods beginning on or after 1 January 2018 (cont'd)

(a) MFRS 9, Financial Instruments (cont'd)

The financial effects arising from the initial adoption of MFRS 9 are as follows :-

	As previously reported as at 1 July 2018	Effects of adoption of MFRS 9	Restated as at 1 July 2018
	RM'000	RM'000	RM'000
Condensed Consolidated Statements of Financial Position			
Assets			
Deferred tax assets	566	198	764
Trade and other receivables	27,757	(3,313)	24,444
Impact to assets	28,323	(3,115)	25,208
Equity			
Retained earnings	3,774	(3,222)	552
Exchange translation reserve	(251)	107	(144)
Impact to equity	3,523	(3,115)	408

(b) MFRS 15, Revenue From Contracts With Customers

MFRS 15 replaces MFRS 118 Revenues, MFRS 111 Construction Contracts and related IC Interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements related to nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. MFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying a five – step model as follows:-

1) Identify the contracts with customer;
2) Identify the separate performance obligations;
3) Determine the transaction price;
4) Allocate the transaction price to the performance obligations in the contract; and
5) Recognise revenue when each performance obligation is satisfied.

There was no material impact on the Group's consolidated financial statements upon application of MFRS 15.

A2. Accounting Policies (cont'd)

A2.2 MFRS and Amendments effective for financial periods beginning on or after 1 January 2019

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	**Effective Date**
MFRS 16 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the financial impact of implementing these Standards and Amendments.

A3. Seasonal or Cyclical Factors

Our business operations are generally dependent on the Malaysia economy, government initiatives and consumer confidence, as well as major festive seasons.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items as a result of their nature, size or incidence that had affected this interim financial report for the period ended 31 December 2018.

A5. Material Changes in Accounting Estimates

There were no material changes in accounting estimates in the current financial period under review.

A6. Debt and Equity Securities

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period under review.

A7. Segmental Information

The Group's revenue is analysed as follows:

(i) By product group

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Handbags[1]	35,896	34,269	35,896	34,269
Women footwear	13,600	13,422	13,600	13,422
Accessories	8,203	6,157	8,203	6,157
Total	**57,699**	**53,848**	**57,699**	**53,848**

Note:

[1] *Including sales of materials for handbags (which were sourced by the Group) to external manufacturers.*

(ii) By brand

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Carlo Rino	46,780	46,148	46,780	46,148
CR2	10,893	7,546	10,893	7,546
G. Davin[1]	26	154	26	154
Total	**57,699**	**53,848**	**57,699**	**53,848**

Note:

[1] *Being products which we acquired from a subsidiary of Bonia and once all the products acquired are sold, we will not have further dealing with G. Davin products. It is not a major brand which we rely on as the contribution to revenue was negligible relatively to other brands which we market.*

(iii) By geographical location

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Malaysia	56,097	52,237	56,097	52,237
Vietnam	861	965	861	965
Indonesia	646	332	646	332
Kuwait	-	244	-	244
Others[1]	95	70	95	70
Total	**57,699**	**53,848**	**57,699**	**53,848**

Note:

[1] *Comprising Brunei, Singapore and Saudi Arabia.*

(iv) By business segment

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Boutique	25,170	26,868	25,170	26,868
Department store	25,100	19,777	25,100	19,777
E-commerce	3,677	2,769	3,677	2,769
Distributor/Dealer	2,080	3,125	2,080	3,125
	56,027	**52,539**	**56,027**	**52,539**
Outright sales of materials	1,672	1,309	1,672	1,309
Total	**57,699**	**53,848**	**57,699**	**53,848**

A8. Related parties transactions

Transacting related parties	**Nature of transactions**	**6 months ended As at 31.12.2018 RM'000**
Luxury Parade Sdn Bhd	Joint security management for the security services for entire Block C (located at Jalan Cheras Zen 1A, Taman Platinum Cheras) comprising 6 level of office building together with 92 units of carpark bays	27
Luxury Parade Sdn Bhd	Rental fee paid in respect of tenancy of office space at Asmah Tower which was used as corporate office of our Group (terminated on 30.09.18)	149
PT Active World	Rental fee paid/ payable in respect of tenancy of office space at Block D23 and D25, Ruko Cordoba, Jalan Marina Indah, Bukit Golf Mediterania, Pantai Indah Kapuk, Jakarta Utara, Indonesia (terminated on 31.08.18)	2 (equivalent to Rp7,083million)
Bonia International Holdings Pte Ltd	Royalties payment made by way of calculating based on percentage of transacted sales for the trademark granted	7
Total		185

A9. Qualification of Preceding Annual Financial Statements

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2018 did not contain any qualification.

A10. Material Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of current financial period.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period.

A12. Contingent Liabilities

Save as disclosed below, as at 31 December 2018, the Company is unaware of other contingent liabilities:

	6 months Ended As at 31 December 2018 RM'000
Corporate guarantee to financial institutions for banking facilities granted to and utilised by subsidiaries.	2,954
Corporate guarantees to landlords for tenancy agreements entered into by a subsidiary	1,630

Total	4,584
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A13. Capital Commitments

There were no material capital commitments as at 31 December 2018.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Performance Review

For current financial period under review, the Group had reclassified sale trade margin (which was previously netted against revenue) from revenue to cost of sales ("**Reclassification**"), amounted to RM5.03 million. The Reclassification arose from the adoption of MFRS 15. Without Reclassification, the Group recorded a total revenue of RM52.67 million, representing a decrease of 2.19% or RM1.18 million. The decline in revenue was mainly due to reduce in boutique sales.

Without the Reclassification, the Group recorded the following:

(i) the boutique sales recorded a decrease of 6.33% or RM1.70 million as compared to preceding year corresponding period. The decline mainly due to weak consumer sentiment after the implementation of Sales and Service Tax (SST) which led to weaker consumer spending as demonstrated by lower revenue from handbag and women footwear of Carlo Rino brand (without the Reclassification, total revenue from handbag and women footwear would be RM45.17 million; whereas revenue from Carlo Rino brand would be RM43.32 million);

(ii) despite the decline in boutique sales, the Group achieved higher revenue generated from the e-commerce segment, with an increase from RM2.77 million in the preceding year corresponding period to RM3.60 million for the current financial period under review, representing an increase of 29.96% or RM0.83 million, as a result of our continuous efforts in strengthening the online presence of the Carlo Rino brand and tapping into the online markets; and

(iii) apart from the above, the Group achieved a better sales performance from the accessories product category. The Group recorded a growth of 21.75% or RM1.34 million from accessories product category. The increase of revenue from this product category was due to the management team's effort to develop more new product range for this product category, for examples crossbody wallet, card holder and coin purse. This is in line with the future plan of the Group as mentioned in our Information Memorandum.

Despite a better gross profit for current financial period under review, the Group recorded a lower profit before tax for current financial period under review of RM2.59 million as compared to RM2.88 million for preceding year corresponding period. This was due to an increase in general and administrative expenses (increased by RM1.17 million or 13.53% to RM9.82 million compared to preceding year corresponding period), which was mainly due to the impact from the adoption of MFRS 9 with the net impairment for the current financial period amounting to RM1.06 million.

B2. Prospects

We expect the Malaysian consumer sentiment in 2019 will continue to remain dampened amid the uncertainty in the macro economic situation. Consumers are most likely to go for cautious spending due to the concern of the so-called "inflationary pressure" and "high cost of living".

Looking ahead, the Group will continue to focus on effort to explore new e-commerce markets in the South East Asia region, launching of new products ranges to complement our existing products offering, while continue to diligently monitor our operational costs, performances of our boutique stores and prudent investment decision on opening of new boutique stores.

B3. Profit Forecast, Profit Guarantee and Internal Targets

No revenue or profit estimate, forecast, projection or internal targets has been issued by the Group previously in any public document.

C. OTHER INFORMATION

C1. Status of Corporate Proposals

Save for the listing of the Group on LEAP Market of Bursa Securities by way of introduction on 28 November 2018, there were no other corporate proposals announced and pending completion as at the date of this report.

C2. Borrowings

As at the reporting date, the Group's borrowings (all denominated in RM) are as follows:

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Current liabilities		
Secured		
Term loans	750	700
Unsecured		
Bankers' acceptance	-	6,879
	750	7,579
Non-current liabilities		
Secured		
Term loans	14,760	15,514
Total	**15,510**	**23,093**

C3. Material Litigation

There are no material litigations involving the Group as at the date of this report.

C4. Dividend

The Directors did not declare any interim dividend in respect of the financial period ended 31 December 2018.

C5. Earnings Per Share

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit attributable to owner of the Company	899	1,737	899	1,737
Weighted average number of ordinary shares ('000)	805,651	20,000	805,651	20,000
Basic earnings per ordinary share (Sen)[1]	0.11	8.69	0.11	8.69

Note:
[1] *Earning per share is computed based on the Company's number of ordinary shares in issue of 805,651,400 at the end of the reporting period and the then 20,000,000 as at 31 December 2017.*

This report is dated 27 February 2019.