

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2010

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 30 June 2009 as disclosed in the Prospectus of the Company dated 3 December 2009 and the accompanying explanatory notes attached to the interim financial report.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“Group”) since the financial year ended 30 June 2009.

In conjunction with our listing on the Main Market of Bursa Securities, the Group’s financial statements have adopted the merger accounting method.

2. Summary of significant accounting policies

Significant accounting policies adopted are consistent with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 30 June 2009 as disclosed in the Prospectus dated 3 December 2009. The following new FRSs, Amendments and Interpretations were issued but not yet effective and have not been early adopted by the Group:

(a) FRSs issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 is not relevant to the Group’s operations.

(b) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 123 Borrowing Costs
FRS 139 Financial Instruments: Recognition and Measurement

(c) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and Cost of an Investment in a Subsidiary, Jointly
FRS 127 Controlled Entity or Associate

Amendments to FRS 2 Vesting Conditions and Cancellations

The above amendments are not relevant to the Group’s operations.

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(d) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: The Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2009 was not subject to any audit qualification.

4. Seasonality or Cyclicity Factors

The business operations of the Group are generally in the retail sector, which are subject to seasonal variations such as major local festive seasons, school holidays and carnival sales.

5. Unusual Items

There was no item, which is unusual because of their nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial period under review.

6. Material Changes in Estimates

There were no changes in estimates of amounts that have had a material effect in the current financial period results.

7. Dividends Paid

An interim dividend of 3.0 sen per ordinary share comprising of 0.436 sen per ordinary share tax exempt dividend and 2.564 sen per ordinary share single-tier tax exempt dividend for the financial year ending 30 June 2010 was declared on 23 February 2010 for the current financial period under review.

8. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 30 June 2009.

9. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review:

The initial public offering of YOOCB's new ordinary shares of RM0.50 each ("YOOCB Shares") at an issue price of RM0.88 per share comprising the public issue and offer for sale, collectively referred herein as IPO, was completed on 23 December 2009 and the entire issued and paid up share capital of the Company comprising 120,000,000 YOOCB Shares was listed on the Main Market of Bursa Securities.

The details of the IPO as disclosed in the prospectus dated 3 December 2009 are as follows:

(a) Public Issue

The public issue of 25,170,740 new YOOCB Shares at an issue price of RM0.88 per YOOCB Share comprising:

- (i) 6,000,000 new YOOCB Shares available for application by the Malaysian Public;
- (ii) 6,500,000 new YOOCB Shares available for application by eligible directors, employees and other persons who have contributed to the success of the Group; and
- (iii) 12,670,740 new YOOCB Shares available by way of private placement to selected investors.

(b) Offer for Sale

The offer for sale of 25,229,260 YOOCB Shares at an offer price of RM0.88 per YOOCB Share payable in full on application comprising:

- (i) 12,000,000 YOOCB Shares by way of placement to Bumiputera Investors approved by the Ministry of International Trade and Industry; and
- (ii) 13,229,260 YOOCB Shares by way of placement to selected investors.

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10. Segmental Reporting

Segmental information for the Group by business segment for the financial period ended 31 March 2010 is presented as follows:

	Investment Holding RM' 000	Design and manufacturing RM' 000	Retailing RM' 000	Distribution and trading RM' 000	Elimination RM' 000	Consolidation RM' 000
Revenue						
External sales	-	15,668	16,212	66,606	-	98,486
Inter-segment sales	10,257	23,185	-	33,715	(67,157)	-
Total revenue	10,257	38,853	16,212	100,321	(67,157)	98,486

	Investment Holding RM' 000	Design and manufacturing RM' 000	Retailing RM' 000	Distribution and trading RM' 000	Elimination RM' 000	Consolidation RM' 000
Results						
Profit before tax	8,724	3,496	2,015	12,493	(10,509)	16,219
Tax expense						(3,992)
Profit after tax						12,227
Attributable to :						
Equity holders of the parent						12,227
Minority interest						-
						12,227

11. Changes in Composition of the Group

In conjunction with the listing and quotation for YOOCB's entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities, the Company had on 11 August 2009 acquired the entire issued and paid-up share capital of the following companies:

- (i) Syarikat Yoong Onn Sdn Bhd ("SYOSB") for the purchase consideration of RM36,528,771 by an issuance of 73,057,542 new YOOCB Shares at par value;
- (ii) Sleep Focus Sdn Bhd ("SFSB") for the purchase consideration of RM7,249,379 by an issuance of 14,498,758 new YOOCB Shares at par value;
- (iii) Elegant Total Home Sdn Bhd ("ETHSB") for the purchase consideration of RM2,891,643 by an issuance of 5,783,286 new YOOCB Shares at par value; and

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- (iv) Monsieur (M) Sdn Bhd (“MSB”) for the purchase consideration of RM744,835 by an issuance of 1,489,670 new YOOCB Shares at par value.

12. Contingent Liabilities

Save as disclosed below, the Group does not have any contingent liabilities since the last audited financial statements for the financial year ended 30 June 2009:

	As at 31.03.2010 RM'000	As at 30.06.2009 RM'000
Bank guarantee	421	N/A

13. Related Party Transactions

The Company entered into the following transaction with a related party during the current financial quarter under review:

	Current Quarter 31.03.2010 RM'000	Current Year To date 31.03.2010 RM'000
a) Transaction with Yoon Fah Realty Sdn Bhd in which certain directors of the Company have substantial interest:		
- Rental of premises	116	349
b) Transaction with The Store Corporation Bhd in which a director of the Company is also a director of The Store Corporation Bhd		
- Supply of home linen products	346	834

14. Material Events Subsequent to the End of the Current Financial Quarter

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

1. Review of Performance of the Group

For the current quarter under review, the Group has recorded a revenue and profit before tax of approximately RM32.00 million and RM5.52 million respectively.

For the nine months period ended 31 March 2010, the Group has recorded a revenue and profit before tax of approximately RM98.49 million and RM16.22 million respectively.

2. Material Changes in the Quarterly Results as Compared to the Results of the Immediate Preceding Quarter

The Group recorded a revenue of RM32.00 million for the current quarter under review, representing a decrease of RM3.63 million or 10.2% from RM35.63 million in the preceding quarter. The nationwide mega sales and festive season in the immediate preceding quarter had contributed to higher domestic sales. The Group's profit before tax was RM5.52 million as compared to RM6.15 million, representing a slight decrease of RM0.63 million or 10.2% was in line with the drop in revenue.

3. Prospects for the Current Financial Year

The recovery in the global financial crisis is still uncertain and the local retail market will remain challenging and competitive in moving forward. However, with the Group's underlying fundamental strength of efficient business operations, financial stability and wide distribution network, the Board expects a satisfactory growth in the financial performance of the Group for the financial year ending 30 June 2010 with plans and strategies already in place to weather these challenging times.

4. Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review.

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5. Taxation

The tax expense charged for the current financial quarter and current financial year to-date under review includes the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2010 RM'000	Preceding Year Corresponding Quarter 31.03.2009 RM,000	Current Year To-Date 31.03.2010 RM'000	Preceding Year Corresponding Period 31.03.2009 RM'000
Current taxation	1,712	N/A	4,841	N/A
Over provision in prior year	(849)	N/A	(849)	N/A
	863	N/A	3,992	N/A

The tax expense for the Group reflects an effective tax rate of approximately 24.6%, which is lower than the statutory tax rate of 25% due to over provision in prior year.

6. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties held by the Group for the current financial quarter and current financial year to-date under review.

7. Purchase and/or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities by the Group during the current financial quarter and current financial year to-date under review.

8. Status of Corporate Proposals

(a) IPO

On 3 December 2009, the Company issued a prospectus for the public issue of up to 25,170,740 new YOOCB Shares at an issue price of RM0.88 per ordinary share payable in full on application in conjunction with its listing on the Main Market of Bursa Securities.

The admission to the official list and the listing of and quotation for the entire enlarged issued and paid-up share capital of RM60,000,000 comprising of 120,000,000 ordinary shares of RM0.50 each of the Company on the Main Market of Bursa Securities was completed on 23 December 2009.

(b) Utilisation of proceeds

As at 20 May 2010, the total gross proceeds of RM 22.15 million arising from the Public Issue have been utilised in the following manner:

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Details of the utilisation of proceeds	Estimated timeframe for utilisation from the date of Listing	Proposed Utilisation RM'000	Actual Utilisation RM'000
Repayment of bank borrowings	Within six (6) months	9,000	9,000
Local and overseas expansion	Within twenty four (24) months	6,000	150
Working capital	Within twenty four (24) months	3,650	3,650
Estimated listing expenses*	Within six (6) months	3,500	3,500
Total		22,150	16,300

* Unutilized estimated listing expenses of approximately RM1.0million were used for working capital

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 31 March 2010 are as follows:

	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Secured			
Bankers' acceptances	8,842	-	8,842
Hire Purchase Payable	31	7	38
	<u>8,873</u>	<u>7</u>	<u>8,880</u>

10. Off Balance Sheet Financial Instruments

As at 20 May 2010, the Group has the following outstanding forward currency contracts to hedge it's committed purchases.

Foreign Currency	Contracted Amount ('000)	Equivalent Amount In Ringgit Malaysia ('000)	Maturity Date
USD	56	184	27-May-10
USD	612	2,000	7-Jun-10
	<u>668</u>	<u>2,184</u>	

11. Changes in Material Litigation

On 13 August 1998, Syarikat Yoong Onn Sdn Bhd (“SYOSB”), an wholly owned subsidiary company of Yoong Onn Corporation Berhad and Yoon Fah Realty Sdn Bhd (“YFR”), filed a suit at the High Court of Malaysia in Kuala Lumpur against Agenda Istimewa Sdn Bhd (“the Defendant”) for the refund of the deposit in the sum of RM520,150 together with the interest at the rate of 12% per annum, general damages and a declaration that the sale and purchase agreements entered into between SYOSB and the Defendant and between YFR and the Defendant for the purchase of four (4) industrial lots by SYOSB and one (1) industrial lot by YFR from the Defendant were lawfully terminated and/or rescinded.

The trial of the suit was completed on 4 August 2009 and the Court delivered its decision on 27 October 2009. The Court dismissed the suit by SYOSB and YFR (“the Plaintiffs”) with costs and allowed the Defendant’s counter-claim for a declaration that the sale and purchase agreements were lawfully terminated and/or rescinded by the Defendant and awarded in favour of the Defendant special damages of RM520,150, general damages for breach of contract, and 8% interest per annum on the sum due and payable to the Defendant.

On 28 October 2009, the Plaintiffs had given instructions to their solicitors to file an appeal and stay of proceedings against the High Court Judge’s decision dated 27 October 2009. The Notice of Appeal was filed at the Court of Appeal on 10 November 2009 against the decision of the High Court. As to date, the Court of Appeal has not fixed a date for the hearing of the appeal.

On 12 November 2009, an application for the Stay of Execution of Judgment was filed in the High Court. The Court delivered its decision on 26 March 2010 that the Plaintiffs’ Application for Stay be dismissed with cost. The Court also ordered the Plaintiffs to pay RM3,000 to the Defendant as costs of the application.

Pursuant to the decision of the High Court, the Defendant has filed its application for the costs to be taxed on 24 December 2009. This matter is fixed for hearing on 07 June 2010.

Save as disclosed above, there is no material litigation pending as at the date of this announcement.

12. Dividend

- (a) On 23 February 2010, the Board of Directors approved and declared an interim dividend of 3.0 sen per ordinary share comprising of 0.436 sen per ordinary share tax exempt dividend and 2.564 sen per ordinary share single-tier tax exempt dividend for the financial year ending 30 June 2010.

The interim dividend was paid on 05 April 2010 to Depositors whose names are registered in the Record of Depositors on 23 March 2010.

- (b) The Board of Directors has declared a second interim dividend of 2.0 sen per ordinary share comprising of 2.0 sen per ordinary share single-tier tax exempt dividend for the financial year ending 30 June 2010.

The second interim dividend will be paid on 08 July 2010 to Depositors whose names are registered in the Record of Depositors on 29 June 2010.

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13. Earning Per Share

(a) Basic

The basic earning per share has been calculated by dividing the Company's profit attributable to the equity holders for the current financial quarter and current financial year to-date by the weighted average number of ordinary shares in issue during the current financial quarter and current financial year to-date under review.

	Current Quarter 31.03.2010	Preceding Year Corresponding Quarter 31.03.2009	Current Year To-Date 31.03.2010	Preceding Year To-Date 31.03.2009
Profit attributable to equity holders of the Company (RM'000)	4,661	N/A	12,227	N/A
Weighted average number of ordinary shares in issue ('000)	120,000	N/A	89,734	N/A
Basic earnings per share (sen)	3.88	N/A	13.63	N/A

(b) Diluted

The Company does not have any convertible share or convertible financial instruments for the current financial quarter and current financial year to-date under review.

14. Authorisation

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 27 May 2010.