

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 audited financial statements for the financial year ended 30 June 2010 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 2010.

2. Summary of significant accounting policies

a) Changes in accounting policies

Significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 30 June 2010 except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations by the Group with effect from 1 July 2010.

FRS, Amendments to FRSs and IC Interpretations

Revised FRS 3 (2010) Business Combinations
FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
Revised FRS 101 (2009) Presentation of Financial Statements
Revised FRS 123 (2009) Borrowing Costs
Revised FRS 127 (2010) Consolidated and Separate Financial Statements
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)
IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)
Annual Improvements to FRSs (2009)

The adoption of above standards and interpretation did not have significant impact on the financial performance or position of the Group except for those discussed below:

FRS 139 Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not a fair value through profit or loss, transactions costs that are directly attributable to the acquisition of issue of the financial instruments.

Derivative

Prior to adoption of FRS 139, the Group's derivative contract were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

Impairment of trade receivables

Prior to 1 July 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 July 2010, the Group has remeasured the allowance for impairment losses as that date in accordance with FRS 139 and this standard did not have any significant impact on the financial position and results of the Group.

b) Standards issued not relevant to the Group's operations

The following standards and interpretations that have been issued are not relevant to the Group's operations.

Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standard

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distribution of Non-cash Assets to Owners

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 2010 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

No dividend was paid during the current financial quarter 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 2010.

9. Debt and Equity Securities

There were no changes in the debt and equity securities for the current financial quarter.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010

10. Segmental Reporting

Segmental information for the Group by business segment is presented as follows:

Period Ended 30 September 2010	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	-	5,932	4,710	20,892	-	31,534
Inter-segment sales	100	6,766	-	9,203	(16,069)	-
Total revenue	100	12,698	4,710	30,095	(16,069)	31,534
Results						
Profit before tax	31	1,240	528	3,400	(280)	4,919
Tax expense						(1,351)
Profit after tax						3,568
Attributable to :						
Owners of the parent						3,568
Non-controlling interests						-
						3,568

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010

Period Ended 30 September 2009	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	-	4,706	5,183	20,966	-	30,855
Inter-segment sales	-	6,756	-	11,573	(18,329)	-
Total revenue	-	11,462	5,183	32,539	(18,329)	30,855

	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	-	958	249	3,626	(285)	4,548
Tax expense						(1,309)
Profit after tax						3,239
Attributable to :						
Owners of the parent						3,239
Non-controlling interests						-
						3,239

11. Changes in Composition of the Group

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

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 2010:

	As at 30.09.2010 RM'000	As at 30.06.2010 RM'000
Bank guarantee	479	454

13. Related Party Transactions

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

	Current Year Quarter 30.09.2010 RM'000	Current Year-To-date 30.09.2010 RM'000
a) Transaction with Yoon Fah Realty Sdn Bhd in which certain directors of the Company have substantial interest:		
- Rental of premises	116	116
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	816	816
	<hr/> <hr/>	<hr/> <hr/>

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.

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 RM31.53 million and RM4.92 million respectively, representing 2.2% increased in revenue and 8.1% increased in profit before tax compared to previous year's corresponding period revenue and profit before tax of RM30.86 million and RM4.55 million respectively. Higher sales was due to higher export sales and higher profit before tax was mainly due to higher sales and lower finance cost.

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

The Group recorded a revenue of RM31.53 million for the current quarter under review, representing an increase of RM2.48 million or 8.5% from RM29.05 million in the preceding quarter. The higher revenue in the current quarter was due to local festive sales. The Group's profit before tax was RM4.92 million as compared to RM5.44 million of the immediate preceding quarter, representing a decrease of RM0.52 million or 9.6% was due to lower operating expenses and promotional cost in the immediate preceding quarter.

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 coming financial year ending 30 June 2011 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.

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 30.09.2010 RM'000	Preceding Year Corresponding Quarter 30.09.2009 RM,000	Current Year-To-Date 30.09.2010 RM'000	Preceding Year Corresponding Period 30.09.2009 RM'000
Current taxation	1,497	1,309	1,497	1,309
Deferred taxation	(146)	-	(146)	-
	<u>1,351</u>	<u>1,309</u>	<u>1,351</u>	<u>1,309</u>

The tax expense for the Group reflects an effective tax rate of approximately 27.5%, which is slightly higher than the statutory tax rate of 25% due to certain tax not allowable expense.

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010

8. Status of Corporate Proposals

(a) Utilisation of proceeds

As at 19 November 2010, the total gross proceeds of RM 22.15 million arising from the Public Issue have been utilised in the following manner:

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	231
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	16,381

* Unutilised 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 30 September 2010 are as follows:

	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Secured			
Bankers' acceptances	10,128	-	10,128
Hire Purchase Payable	13	5	18
	<u>10,141</u>	<u>5</u>	<u>10,146</u>

10. Financial Instruments

As at 30 September 2010, the Group has the following outstanding forward currency contract to hedge it's committed purchases.

Foreign Currency	Contracted Amount ('000)	Equivalent Amount In Ringgit Malaysia ('000)	Fair Value In Ringgit Malaysia ('000)	Maturity Date
USD	900	2,853	2,750	10-Nov-10

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 judgment 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 an application for stay of execution against the High Court Judge’s judgment dated 27 October 2009. The Notice of Appeal was filed at the Court of Appeal on 10 November 2009 against the judgment of the High Court. The application for stay of execution was dismissed with costs on 26 March 2010. To date, the Court of Appeal has not fixed a date for the hearing of the appeal.

The directors are of the opinion that the Company has a reasonable prospect of success in the appeal.

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

12. Dividend Proposed

On 26 August 2010, the Board has announced the proposed of a final dividend of 2.0 sen per ordinary share comprising of 2.0 sen per ordinary share single-tier tax exempt dividend amounting to RM2,400,000 in respect of the financial year ended 30 June 2010. The proposed final dividend will be presented for shareholders’ approval at the forthcoming Annual General Meeting. Subject to shareholders’ approval, the proposed final dividend will be payable on a date to be announced later.

The Board does not recommend any interim dividend for current financial quarter under review.

13. Earning Per Share

(a) Basic

The basic earnings per share has been calculated by dividing the Company's profit attributable to the owners 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 Year Quarter 30.09.2010	Preceding Year Corresponding Quarter 30.09.2009	Current Year-To-Date 30.09.2010	Preceding Year Corresponding Period 30.09.2009
Profit attributable to owners of the parent (RM'000)	3,568	3,239	3,568	3,239
Weighted average number of ordinary shares in issue ('000)	120,000	94,830	120,000	94,830
Basic earnings per share (sen)	2.97	3.42	2.97	3.42

(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 25 November 2010.