

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 2011 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 2011.

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 2011 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 2011.

FRS, Amendments to FRSs and IC Interpretations

FRS 124 (Revised) Related Party Disclosures
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters
Amendments to FRS 1: Additional Exemptions for First-time Adopters
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretation 15 Agreements for the Construction of Real Estate
IC Interpretation 18 Transfer Assets from Customers
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements to FRSs (2010)

The adoption of above standards and interpretation did not have significant impact on the financial performance or position of the Group.

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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 2011 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 in the quarterly financial statements under review.

6. Material Changes in Estimates

There were no changes in estimates of amounts that have had a material effect in the quarterly financial statements under review.

7. Dividends Paid

No dividend was paid during the current 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 2011.

9. Debt and Equity Securities

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

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10. Segmental Reporting

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

Period Ended 30 September 2011	Investment holding RM' 000	Design and manufacturing RM' 000	Retailing RM' 000	Distribution and trading RM' 000	Elimination RM' 000	Consolidated RM' 000
Revenue						
External sales	-	7,121	5,481	23,478	-	36,080
Inter-segment sales	2,620	7,187	-	3,666	(13,473)	-
Total revenue	2,620	14,308	5,481	27,144	(13,473)	36,080
Results						
Profit before tax	2,562	1,943	280	4,567	(2,748)	6,604
Tax expense						(1,653)
Profit after tax						4,951
Attributable to :						
Owners of the parent						4,951
Non-controlling interests						-
						4,951

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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	Consolidated 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

11. Changes in Composition of the Group

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

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 2011:

	As at 30.09.2011 RM'000	As at 30.06.2011 RM'000
Bank guarantees	683	579

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13. Related Party Transactions

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

	Current Year Quarter 30.09.2011 RM'000	Current Year-To-date 30.09.2011 RM'000
a) Transaction with Yoon Fah Realty Sdn Bhd in which certain directors of the Company have substantial interest:		
- Rental of premises	92	92
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	1,034	1,034
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14. Material Events Subsequent to the End of the Current Financial Quarter

The Directors proposed to undertake bonus issue involve the issuance of 40,000,000 new ordinary share of RM0.50 each in the Company on the basis of one (1) bonus share for every three (3) existing shares held on 18 October 2011. The proposed bonus issue was approved by the shareholder at an Extraordinary General Meeting held on 30 September 2011.

The allotment of bonus issue share has been fully completed on 19 October 2011.

Saved as above, 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.

15. Capital Commitment

The amount of capital commitment as at 30 September 2011 is as follows:

Approved and contracted for :	RM'000
Property, plant and equipment	
- Warehouse under construction	5,350
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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 recorded revenue and profit before tax of RM36.08 million and RM6.60 million respectively, representing 14.4% increased in revenue and 34.3% increased in profit before tax as compared to previous year corresponding quarter revenue and profit before tax of RM31.53 million and RM4.92 million respectively.

The sales growth was attributed from higher export, consignment and boutiques sales. Higher consignment and boutiques sales were due to Hari Raya festive season. The higher profit before tax was mainly due to higher sales generated.

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

The Group posted revenue of RM36.08 million for the current quarter under review, an increase of RM1.70 million or 4.9% compared to RM34.38 million in the immediate preceding quarter ended 30 June 2011. Higher revenue in the current quarter was contributed by Hari Raya festive season.

The Group's current quarter profit before tax increased by RM0.34 million or 5.5% to RM6.60 million as compared to RM6.26 million in the immediate preceding quarter was mainly due to higher sales in current 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 2012 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 30.09.2011 RM'000	Preceding Year Corresponding Quarter 30.09.2010 RM,000	Current Year-To-Date 30.09.2011 RM'000	Preceding Year Corresponding Period 30.09.2010 RM'000
Current taxation	1,667	1,497	1,667	1,497
Deferred taxation	(14)	(146)	(14)	(146)
	<u>1,653</u>	<u>1,351</u>	<u>1,653</u>	<u>1,351</u>

The tax expense for the Group reflects an effective tax rate of approximately 25.0%.

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 quarter and 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 quarter and financial year to-date under review.

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8. Status of Corporate Proposals

(a) Utilisation of Initial Public Offering (“IPO”) proceeds

The Group revised the utilisation of the IPO proceeds vide an announcement on 24 February 2011. The status of the revised utilisation of the proceeds is as follows:-

Details of the proposed utilisation of proceeds	Revised utilisation RM'000	Utilised to date RM'000	Balance to be utilised RM'000	Intended timeframe for utilisation from the date of Listing
Repayment of bank borrowing	9,000	(9,000)	-	Within 6 months
Local and overseas expansion	1,000	(1,000)	-	Within 24 months
Finance the construction costs of a new warehouse on an existing piece of land owned by the Group	5,000	(511)	4,489	Within 36 months
Working capital	4,656	(4,656)	-	Within 24 months
Defray listing expenses	2,494	(2,494)	-	Within 6 months
Total	22,150	(17,661)	4,489	

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 September 2011 are as follows:

	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Secured			
Bankers' acceptances	22,064	-	22,064
Hire Purchase Payable	5	-	5
	<u>22,069</u>	<u>-</u>	<u>22,069</u>

10. Financial Instruments

As at 30 September 2011, the Group has the following outstanding forward currency contract to hedge against its purchases.

<u>Foreign Currency</u>	<u>Contracted Amount ('000)</u>	<u>Equivalent Amount In Ringgit Malaysia ('000)</u>	<u>Fair Value In Ringgit Malaysia ('000)</u>	<u>Maturity Date</u>
USD	579	1,717	1,841	03-Nov-11 & 03 Dec-11

11. Changes in Material Litigation

On 13 August 1998, Syarikat Yoong Onn Sdn Bhd (“SYOSB”), a 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 RM520,150.00 together with the interest at the rate of 8% 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 RM520,150.00, general damages for breach of contract, and 8% interest per annum on the sum due and payable to the Defendant. (“Judgment Sum”)

On 13 May 2010, the Plaintiffs have paid the Judgment Sum of RM1,005,015.30.

On 28 October 2009, the Plaintiffs gave 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. The Court of Appeal has fixed the date for the hearing of the appeal on 31 October 2011.

During the hearing of the appeal on 31 October 2011 the Court of Appeal ruled that there were no errors in the High Court Judge’s finding of facts. Accordingly, the Court of Appeal refused to interfere with the High Court Judgment and dismissed the appeal. Following the dismissal, the Court of Appeal ordered the Company to pay costs to the Respondent/Defendant in the fixed amount of RM15,000.00.

The directors are of the view that the Company will not lodge any appeal against the judgment of the Court of Appeal to the Federal Court as the prospects of success are not high given that the Court of Appeal had affirmed the High Court’s finding of facts.

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

12. Dividends

The Board of Directors has declared an interim dividend of 2.0 sen per ordinary share comprising of 2.0 sen per ordinary share single-tier tax exempt dividend amounting to RM3,200,000 in respect of the financial year ending 30 June 2012.

The interim dividend will be paid on 09 January 2012 to Depositors whose names are registered in the Record of Depositors on 30 December 2011.

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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 financial year to-date under review.

	Current Year Quarter 30.09.2011	Preceding Year Corresponding Quarter 30.09.2010	Current Year-To-Date 30.09.2011	Preceding Year Corresponding Period 30.09.2010
Profit attributable to owners of the parent (RM'000)	4,951	3,568	4,951	3,568
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	4.13	2.97	4.13	2.97

(b) Diluted

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

14. Realised and Unrealised Profits / Losses

Pursuant to Bursa Malaysia Securities Berhad disclosure of realised and unrealised profits / losses, the Group realised and unrealised profits / (losses) as at 30 September 2011 were as follows:-

	As At 30.09.2011 RM'000	As At 30.06.2011 RM'000
Total retained profits / (losses) of the Company and its subsidiaries :		
-Realised	94,667	89,626
-Unrealised	98	(170)
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	94,765	89,456
Less: consolidated adjustments	(13,838)	(13,605)
Total consolidated retained profits	<hr/> 80,927	<hr/> 75,851

15. Authorisation

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 29 November 2011.