

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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.

MFRS, Amendments to MFRSs 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 Cyclical 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

On 29 November 2011, the board of directors 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 dividend paid on 09 January 2012 to Depositors whose names are registered in the Record of Depositors on 30 December 2011.

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 June 2012	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	-	27,838	23,026	103,049	-	153,913
Inter-segment sales	9,443	33,341	6	14,137	(56,927)	-
Total revenue	9,443	61,179	23,032	117,186	(56,927)	153,913
Results						
Profit before tax	9,332	5,652	926	17,717	(10,143)	23,484
Tax expense						(6,205)
Profit after tax						17,279
Attributable to :						
Owners of the parent						17,279
Non-controlling interests						-
						17,279

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Period Ended 30 June 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	-	26,116	21,291	93,595	-	141,002
Inter-segment sales	16,750	28,617	-	17,725	(63,092)	-
Total revenue	16,750	54,733	21,291	111,320	(63,092)	141,002
Results						
Profit before tax	16,372	5,670	2,409	19,184	(18,326)	25,309
Tax expense						(7,007)
Profit after tax						18,302
Attributable to :						
Owners of the parent						18,302
Non-controlling interests						-
						18,302

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 30.06.2012 RM'000	As at 30.06.2011 RM'000
Bank guarantees	799	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 30.06.2012 RM'000	Current Year-To-date 30.06.2012 RM'000
a) Transaction with Yoon Fah Realty Sdn Bhd in which certain directors of the Company have substantial interest:		
- Rental of premises	93	370
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	1,205	4,848
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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.

15. Capital Commitment

The amount of capital commitment as at 30 June 2012 is as follows:

Approved and contracted for :	RM'000
Property, plant and equipment	
- Retail Outlet Renovation & Display	435
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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 of RM38.59 million, increased by RM4.21 million or 12.2% as compared to previous year corresponding quarter revenue of RM34.38 million. The Group's reported a lower profit before tax of RM4.30 million as compared to RM6.26 million in the last corresponding quarter.

Higher sale was mainly contributed by higher consignment and boutique sales. Higher boutique sales was attributed by the Group's 4 (four) newly opened Home's Harmony boutique shops in KL Festival Mall, Paradigm Mall, Setia City Mall and Publika Shopping Gallery. Lower profit was mainly due to higher operating costs in current quarter.

For the 12 months ended 30 June 2012, the Group recorded revenue and profit before tax of RM153.91 million and RM23.48 million respectively, representing RM12.91 million or 9.2% increased in revenue and RM1.83 million or 7.2% decreased in profit before tax as compared to previous year corresponding period revenue and profit before tax of RM141.00 million and RM25.31 million respectively.

The higher sales for the 12 months ended 30 June 2012 was mainly contributed by higher export, consignment and boutiques sales. The lower profit before tax was mainly due to higher operating costs.

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

The Group posted revenue of RM38.59 million for the current quarter under review, an increased of RM0.59 million or 1.6% compared to RM38.00 million in the immediate preceding quarter ended 31 March 2012. Higher revenue in the current quarter was contributed by consignment and boutique sales.

The Group's current quarter profit before tax decreased by RM1.53 million or 26.3% to RM4.30 million as compared to RM5.83 million in the immediate preceding quarter was mainly due to higher operating costs 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 2013 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 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM,000	Current Year-To-Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Current taxation	1,086	1,518	6,119	6,620
Under provision in prior year	-	(11)	110	455
Deferred taxation	142	172	(24)	(68)
	<u>1,228</u>	<u>1,679</u>	<u>6,205</u>	<u>7,007</u>

The tax expense for the Group reflects an effective tax rate of approximately 26.4%, which is higher than the statutory tax rate of 25% due to certain tax not allowable expenses and under provision of tax in prior years.

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

There were no corporate proposals announced during the current quarter under review except as disclosed below :-

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

The Group revised the utilisation of the IPO proceeds vide an announcement on 24 February 2011. As at 23 August 2012, 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	(4,565)	435	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	(21,715)	435	

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 June 2012 are as follows:

	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Secured			
Bankers' acceptances	20,813	-	20,813

10. Financial Instruments

As at 30 June 2012, the Group has no outstanding financial instruments.

11. Changes in Material Litigation

There are no material litigation during the current quarter and financial year to-date under review.

12. Dividends

The Board proposed a final dividend of 1.5 sen per ordinary share comprising of 1.5 sen per ordinary share single-tier tax exempt dividend amounting to RM2,400,000 in respect of the financial year ended 30 June 2012. 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.

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 30.06.2012	Preceding Year Corresponding Quarter 30.06.2011	Current Year-To-Date 30.06.2012	Preceding Year Corresponding Period 30.06.2011
Profit attributable to owners of the parent (RM'000)	3,068	4,582	17,279	18,302
Weighted average number of ordinary shares in issue ('000) **	160,000	160,000	160,000	160,000
Basic earnings per share (sen)	1.92	2.86	10.80	11.44

** The bonus issue was completed on 19 October 2011. In capitalising the bonus issue, ordinary shares were issued to existing shareholders for no additional consideration.

(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.

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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 June 2012 were as follows:-

	As At 30.06.2012 RM'000	As At 30.06.2011 RM'000
Total retained profits / (losses) of the Company and its subsidiaries :		
-Realised	93,518	89,626
-Unrealised	(314)	(169)
	<u>93,204</u>	<u>89,457</u>
Less: consolidated adjustments	(14,588)	(13,605)
Total consolidated retained profits	<u>78,616</u>	<u>75,852</u>

15. Authorisation

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 30 August 2012.