

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2013

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

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 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 2012 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 2012.

2. Summary of significant accounting policies

a) Changes in accounting policies

The audited annual financial statements of the Group for the year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2012 except as discussed below:

(i) Property, plant and equipment

Under FRS, the Group measured one of their freehold land and building in Aug 2011 at valuation using the open market value based on its existing use on a valuation carried out by a firm of independent professionally qualified valuers. The surplus arising from the revaluation, net of deferred taxation, has been credited to the revaluation reserve account.

Upon transition to MFRSs, the Group elected to adopt the optional exemption to use that previous revaluation as deemed cost under MFRSs. The revaluation reserve was transferred to retained earnings on date of transition to MFRS.

Reconciliation of equity as at 01 July 2012

RM'000	FRS as at 01/07/2012	Reclassification	Net writeback of depreciation & deferred tax	MFRS as at 01/07/2012
Equity :-				
Revaluation Reserve	10,237	(10,237)	-	-
Retained earnings	78,614	10,237	218	89,069

(ii) MFRS, Amendments to MFRSs and IC Interpretations

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRS 9 Financial Instruments
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests In Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 (Revised) Employee Benefits
MFRS 127 (2011) Separate Financial Statements
MFRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to MFRS 1 (Revised) : Government Loans
Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 9 : Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to MFRS 10, MFRS 11 and MFRS 12 : Transition Guidance
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvement 2012

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 2012 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.

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7. Dividends Paid

- a) The final dividend 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 was paid on 25 January 2013 to the Depositors whose names are registered in the Record of Depositors on 9 January 2013.
- b) 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 2013 was paid on 29 July 2013 to Depositors whose names are registered in the Record of Depositors on 10 July 2013.

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 2012.

9. Debt and Equity Securities

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

10. Segmental Reporting

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

Period Ended 30 June 2013	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	-	28,969	26,920	122,718		178,607
Inter-segment sales	4,638	35,334	96	9,656	(49,724)	-
Total revenue	4,638	64,303	27,016	132,374	(49,724)	178,607
Results						
Profit before tax	4,781	5,719	2,778	18,005	(3,865)	27,418
Tax expense						(7,178)
Profit after tax						20,240
Attributable to :						
Owners of the parent						20,240
Non-controlling interests						-
						20,240

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Period Ended 31 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	17,715	(10,143)	23,482
Tax expense						(6,205)
Profit after tax						17,277
Attributable to :						
Owners of the parent						17,277
Non-controlling interests						-
						17,277

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 2013 :

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
Bank guarantees	730	799

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13. Related Party Transactions

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

	Current Year Quarter 30.06.2013 RM'000	Current Year-To-date 30.06.2013 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	1,189	5,802
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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

There are no material capital commitments as at the date of this report.

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 RM40.60 million and RM5.23 million respectively, representing RM2.01 million or 5.2% increase in revenue and RM0.94 million or 21.9% increased in profit before tax as compared to previous year corresponding quarter revenue and profit before tax of RM38.59 million and RM4.29 million respectively.

Higher sales were mainly contributed by higher consignment and boutique sales. The higher profit before tax was attributable to higher sales generated and operation efficiency in current quarter.

For the 12 months ended 30 June 2013, the Group recorded revenue and profit before tax of RM178.61 million and RM27.42 million respectively, representing RM24.70 million or 16.0% increased in revenue and RM3.94 million or 16.8% increased in profit before tax as compared to previous year corresponding period revenue and profit before tax of RM153.91 million and RM23.48 million respectively.

The sales growth for the 12 months ended 30 June 2013 was mainly contributed by higher consignment and boutiques sales. The higher profit before tax was attributed by 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 RM40.60 million for the current quarter under review, a decreased of RM5.31 million or 11.6% compared to RM45.91 million in the immediate preceding quarter ended 31 March 2013. Higher revenue in the preceding quarter was contributed by festive sales.

The Group's current quarter profit before tax decreased by RM2.35 million or 31.0% to RM5.23 million as compared to RM7.58 million in the immediate preceding quarter was mainly due to higher sales generated in 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 2014 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 30.06.2013 RM'000	Preceding Year Corresponding Quarter 30.06.2012 RM,000	Current Year-To-Date 30.06.2013 RM'000	Preceding Year Corresponding Period 30.06.2012 RM'000
Current taxation	1,288	1,086	6,985	6,119
Under provision in prior year	-	-	30	110
Deferred taxation	49	142	163	(24)
	<u>1,337</u>	<u>1,228</u>	<u>7,178</u>	<u>6,205</u>

The tax expense for the Group reflects an effective tax rate of approximately 26.2%, which is higher than the statutory tax rate of 25% due to certain tax not allowable expenses.

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.

8. Status of Corporate Proposals

There were no corporate proposals announced during the current quarter under review.

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 June 2013 are as follows:

	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Secured			
Bankers' acceptances	24,124	-	24,124

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10. Financial Instruments

As at 30 June 2013, the Group has no outstanding financial instruments.

11. Changes in Material Litigation

There are no material litigation during the current quarter under review.

12. Dividends

The Board proposed 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 RM3,200,000 in respect of the financial year ended 30 June 2013. 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 30.06.2013	Preceding Year Corresponding Quarter 30.06.2012	Current Year-To-Date 30.06.2013	Preceding Year Corresponding Period 30.06.2012
Profit attributable to owners of the parent (RM'000)	3,896	3,065	20,240	17,277
Weighted average number of ordinary shares in issue ('000)	160,000	160,000	160,000	160,000
Basic earnings per share (sen)	2.44	1.92	12.65	10.80

(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 2013 were as follows:-

	As At 30.06.2013 RM'000	As At 30.06.2012 RM'000
Total retained profits / (losses) of the Company and its subsidiaries :		
-Realised	107,686	93,516
-Unrealised	(503)	(314)
	<u>107,183</u>	<u>93,202</u>
Less: consolidated adjustments	(3,474)	(14,588)
Total consolidated retained profits	<u><u>103,709</u></u>	<u><u>78,614</u></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 28 August 2013.