

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.16 RM'000	Preceding Year Corresponding Quarter 30.06.15 RM'000	Current Year-To-Date 30.06.16 RM'000	Preceding Year Corresponding Period 30.06.15 RM'000
Revenue	45,060	38,293	191,129	185,322
Operating expenses	(39,709)	(36,751)	(166,557)	(162,909)
Other operating income	252	1,197	3,849	3,446
Operating profit	5,603	2,739	28,421	25,859
Finance costs	(333)	(142)	(1,108)	(708)
Profit before taxation	5,270	2,597	27,313	25,151
Tax expense	(1,289)	(722)	(7,258)	(6,595)
Profit after taxation	3,981	1,875	20,055	18,556
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	3,981	1,875	20,055	18,556
Profit after taxation attributable to:				
Owners of the parent	3,981	1,875	20,055	18,556
Non-controlling interests	-	-	-	-
	3,981	1,875	20,055	18,556
Total comprehensive income attributable to:				
Owners of the parent	3,981	1,875	20,055	18,556
Non-controlling interests	-	-	-	-
	3,981	1,875	20,055	18,556
Earnings per share attributable to owners of the parent :				
- Basic (sen)	2.49	1.17	12.54	11.60
- Diluted (sen)	N/A	N/A	N/A	N/A

Notes:

N/A - Not applicable

The Unaudited Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30.06.16 RM'000	Audited As At 30.06.15 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	51,530	44,235
Intangible assets	461	461
Total non-current assets	51,991	44,696
CURRENT ASSETS		
Inventories	76,479	61,512
Trade and other receivables	46,279	46,080
Tax refundable	513	341
Short term investment	31,107	14,744
Deposits, cash and bank balances	15,153	27,270
Total current assets	169,531	149,947
TOTAL ASSETS	221,522	194,643
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(70)	(52)
Reserves	98,792	85,134
Total Equity	178,722	165,082
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,262	1,225
Provision	225	197
Bank borrowings	6,326	2,554
Total non-current liabilities	7,813	3,976
CURRENT LIABILITIES		
Trade and other payables	15,736	18,655
Tax liabilities	339	312
Bank borrowings	18,912	6,618
Total current liabilities	34,987	25,585
TOTAL LIABILITIES	42,800	29,561
TOTAL EQUITY AND LIABILITIES	221,522	194,643
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (SEN)	111.75	103.20

Notes:

The Unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent				Sub-Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable		Distributable				
	Share Capital RM'000	Merger Reserve RM'000	Treasury Share RM'000	Retained Profits RM'000			
<u>12 months ended 30 June 2016</u>							
As at 01.07.2015	80,000	(44,365)	(52)	129,499	165,082	-	165,082
Buy-back of ordinary shares	-	-	(18)	-	(18)	-	(18)
Profit after taxation / Total comprehensive income for the period	-	-	-	20,055	20,055	-	20,055
Dividends paid	-	-	-	(6,397)	(6,397)	-	(6,397)
As at 30.06.2016	80,000	(44,365)	(70)	143,157	178,722	-	178,722
<u>12 months ended 30 June 2015</u>							
As at 01.07.2014	80,000	(44,365)	-	117,341	152,976	-	152,976
Buy-back of ordinary shares	-	-	(52)	-	(52)	-	(52)
Profit after taxation / Total comprehensive income for the period	-	-	-	18,556	18,556	-	18,556
Dividends paid	-	-	-	(6,398)	(6,398)	-	(6,398)
As at 30.06.2015	80,000	(44,365)	(52)	129,499	165,082	-	165,082

Notes:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.06.16 RM'000	Preceding Year Corresponding Period 30.06.15 RM'000
Cash flows from operating activities		
Profit before taxation	27,312	25,151
Adjustments for:		
Non-cash items	5,320	5,061
Operating profit before changes in working capital	32,632	30,212
Changes in working capital		
(Increase)/Decrease in inventories	(15,349)	5,070
(Increase)/Decrease in trade and other receivables	(1,437)	4,252
(Decrease)/Increase in trade and other payables	(2,828)	3,407
Cash generated from operations	13,018	42,941
Net tax paid	(7,365)	(8,162)
Interest paid	(1,167)	(698)
Net cash generated from operating activities	4,486	34,081
Cash flows from/(for) investing activities		
Interest received	1,116	873
Proceed of disposal property, plant and equipment	97	15
Purchase of property, plant and equipment	(11,104)	(4,945)
Net cash used in investing activities	(9,891)	(4,057)
Cash flows for financing activities		
Drawdown/(Repayment) of bank borrowings	16,066	(16,718)
Buy back of ordinary shares	(18)	(52)
Dividends paid	(6,397)	(6,399)
Net cash generated from/(used in) financing activities	9,651	(23,169)
Net increase in cash and cash equivalents	4,246	6,855
Cash and cash equivalents at beginning of period	42,014	35,159
Cash and cash equivalents at end of period	46,260	42,014
Cash and cash equivalents comprise the following:		
Cash and bank balances	10,407	12,972
Short term investments	31,107	14,744
Deposits with licensed banks	4,746	14,298
Cash and cash equivalents	46,260	42,014

Notes:

The Unaudited Condensed Consolidated Statement Of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

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 2015 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 2015.

2. Summary of significant accounting policies

a) Changes in accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 30 June 2015.

The adoption of the new and revised Malaysian Financial Reporting Standards (“MFRSs”) and IC Interpretations that became mandatory for the current reporting period does not have significant impact on the financial performance or position of the Group.

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 2015 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

7. Dividends Paid

- a) 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 RM3,198,700 in respect of the financial year ended 30 June 2015 was paid on 28th July 2015 to Depositors whose names are registered in the Record of Depositors on 8th July 2015.
- b) A final dividend of 2.0 sen per ordinary share comprising of 2.0 sen per ordinary share single-tier dividend amounting to RM3,198,700 in respect of the financial year ended 30 June 2015 was paid on 28 January 2016 to Depositors whose names are registered in the Record of Depositors on 8 January 2016.
- c) 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 RM3,198,300 in respect of the financial year ending 30 June 2016 was paid on 28th July 2016 to Depositors whose names are registered in the Record of Depositors on 11th July 2016.

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 period ended 30 June 2016.

9. Debt and Equity Securities

The Company repurchased 20,000 shares of its issued share capital from the open market at an average purchase price of RM0.91 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 30 June 2016, out of the total 160,000,000 issued and fully paid ordinary shares, 85,000 shares were held as treasury shares at an average purchase price of RM0.82 per share. The share buyback transactions were financed by internally generated funds.

Saved as disclosed above, there were no issuances, cancellations, resale or repayments of debt and equity securities during the financial period under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

10. Segmental Reporting

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

Period Ended 30 June 2016	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	-	32,628	38,694	119,807	-	191,129
Inter-segment sales	6,392	25,213	3,608	5,183	(40,396)	-
Total revenue	6,392	57,841	42,302	124,990	(40,396)	191,129
Results						
Profit before tax	6,370	6,273	3,871	16,309	(5,510)	27,313
Tax expense						(7,258)
Profit after tax						20,055
Attributable to :						
Owners of the parent						20,055
Non-controlling interests						-
						20,055

Period Ended 30 June 2015	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	-	29,063	35,899	120,360	-	185,322
Inter-segment sales	7,282	26,464	343	4,544	(38,633)	-
Total revenue	7,282	55,527	36,242	124,904	(38,633)	185,322
Results						
Profit before tax	7,342	6,371	4,794	13,014	(6,370)	25,151
Tax expense						(6,595)
Profit after tax						18,556
Attributable to :						
Owners of the parent						18,556
Non-controlling interests						-
						18,556

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

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 quarter ended 30 June 2016:

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
Bank guarantees	<u>899</u>	<u>680</u>

13. Related Party Transactions

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

	Current Year Quarter 30.06.2016 RM'000	Current Year-To-date 30.06.2016 RM'000
a) Transaction with Yoon Fah Realty Sdn Bhd in which certain directors of the Company have substantial interest:		
- Rental of premises	53	305
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	750	4,507

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

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

15. Capital Commitment

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016
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 RM45.06 million and RM5.27 million respectively, representing RM6.77 million or 17.7% increase in revenue and RM2.67 million or 102.6% in profit before tax as compared to previous year corresponding quarter revenue and profit before tax of RM38.29 million and RM2.60 million respectively.

The higher sales were mainly due to higher domestic sales attributed from consignment sales and the Group's 3 newly opened retails boutique shops under Home's Harmony trademarks during the current quarter under review. The higher profit before tax in current quarter was due to higher sales and lower operating expenses.

For the 12 months ended 30 June 2016, the Group recorded revenue and profit before tax of RM191.13 million and RM27.31 million respectively, representing RM5.81 million or 3.1% increase in revenue and RM2.16 million or 8.6% in profit before tax as compared to previous year corresponding period revenue and profit before tax of RM185.32 million and RM25.15 million respectively.

The higher sales for the 12 months ended 30 June 2016 was mainly due to higher sales from the Group's wholly-owned retails boutique shops under Home's Harmony trademarks and export sales. Higher profit before tax was due to higher sales and lower operating expenses.

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

The Group posted revenue of RM45.06 million for the current quarter under review, drop by RM7.37 million or 14.1% compared to RM52.43 million in the immediate preceding quarter ended 31 March 2016. Higher revenue in preceding quarter was due to festive season sales and higher export sales.

The Group's current quarter profit before tax drop by RM2.92 million or 35.6% to RM5.27 million as compared to RM8.19 million in the immediate preceding quarter was in correspondence with lower sales.

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 2017 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 period under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

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 30.06.2016 RM'000	Preceding Year Corresponding Quarter 30.06.2015 RM,000	Current Year-To-Date 30.06.2016 RM'000	Preceding Year Corresponding Period 30.06.2015 RM'000
Current taxation	993	792	7,222	6,992
Under/(Over) provision in prior year	3	-	(1)	(20)
Deferred taxation	293	(70)	37	(377)
	<u>1,289</u>	<u>722</u>	<u>7,258</u>	<u>6,595</u>

The tax expense for the Group reflects an effective tax rate of approximately 26.6%, which is higher than the statutory tax rate of 24.0% was mainly 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.

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8. Status of Corporate Proposals

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

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 June 2016 are as follows:

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total RM'000
Secured			
Bankers' acceptances	17,982	-	17,982
Term loan	930	6,326	7,256
	<u>18,912</u>	<u>6,326</u>	<u>25,238</u>

10. Financial Instruments

As at 30 June 2016, the Group has no outstanding financial instruments.

11. Changes in Material Litigation

There are no material litigation during the current period 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 RM3,198,300 in respect of the financial year ended 30 June 2016. 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

13. Earning Per Share

a) Basic

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

	Current Year Quarter 30.06.2016	Preceding Year Corresponding Quarter 30.06.2015	Current Year-To-Date 30.06.2016	Preceding Year Corresponding Period 30.06.2015
Profit attributable to owners of the parent (RM'000)	3,981	1,875	20,055	18,556
Total number of weighted average ordinary shares in issue ('000)	159,915	159,935	159,927	159,965
Basic earnings per share (sen)	2.49	1.17	12.54	11.60

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 June 2016 were as follows:-

	As At 30.06.2016 RM'000	As At 30.06.2015 RM'000
Total retained profits / (losses) of the Company and its subsidiaries :		
-Realised	135,124	120,884
-Unrealised	9,286	9,868
	<u>144,410</u>	<u>130,752</u>
Less: consolidated adjustments	(1,253)	(1,253)
Total consolidated retained profits	<u>143,157</u>	<u>129,499</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 25 August 2016.