

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.18 RM'000	Preceding Year Corresponding Quarter 31.12.17 RM'000	Current Year-To-Date 31.12.18 RM'000	Preceding Year Corresponding Period 31.12.17 RM'000
Revenue	58,480	51,843	114,250	101,042
Operating expenses	(47,902)	(43,386)	(96,441)	(87,576)
Other operating income	495	501	1,502	1,289
Operating profit	11,073	8,958	19,311	14,755
Finance costs	(170)	(188)	(360)	(376)
Profit before taxation	10,903	8,770	18,951	14,379
Tax expense	(2,647)	(2,127)	(4,718)	(3,354)
Profit after taxation	8,256	6,643	14,233	11,025
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,256	6,643	14,233	11,025
Profit after taxation attributable to:				
Owners of the parent	8,256	6,643	14,233	11,025
Non-controlling interests	-	-	-	-
	8,256	6,643	14,233	11,025
Total comprehensive income attributable to:				
Owners of the parent	8,256	6,643	14,233	11,025
Non-controlling interests	-	-	-	-
	8,256	6,643	14,233	11,025
Earnings per share attributable to owners of the parent :				
- Basic (sen)	5.16	4.15	8.90	6.89
- 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 2018 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.12.18 RM'000	Audited As At 30.06.18 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	61,848	49,158
Deferred tax assets	1,862	1,835
Total non-current assets	63,710	50,993
CURRENT ASSETS		
Inventories	97,802	103,468
Trade and other receivables	62,669	54,089
Short term investment	32,720	27,117
Deposits, cash and bank balances	15,986	12,003
Total current assets	209,177	196,677
TOTAL ASSETS	272,887	247,670
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(70)	(70)
Reserves	143,893	132,858
Total Equity	223,823	212,788
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,199	1,145
Provision	320	274
Bank borrowings	-	333
Total non-current liabilities	1,519	1,752
CURRENT LIABILITIES		
Trade and other payables	31,988	18,983
Tax liabilities	2,185	1,408
Bank borrowings	13,372	12,739
Total current liabilities	47,545	33,130
TOTAL LIABILITIES	49,064	34,882
TOTAL EQUITY AND LIABILITIES	272,887	247,670
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.40	1.33

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
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
	Distributable		Retained Profits RM'000			
	Share Capital RM'000	Treasury Share RM'000				
6 months ended 31 December 2018						
As at 01.07.2018	80,000	(70)	132,858	212,788	-	212,788
Profit after taxation / Total comprehensive income for the period	-	-	14,233	14,233	-	14,233
Dividends paid	-	-	(3,198)	(3,198)	-	(3,198)
As at 31.12.2018	80,000	(70)	143,893	223,823	-	223,823
6 months ended 31 December 2017						
As at 01.07.2017	80,000	(70)	115,832	195,762	-	195,762
Profit after taxation / Total comprehensive income for the period	-	-	11,025	11,025	-	11,025
Dividends paid	-	-	(4,798)	(4,798)	-	(4,798)
As at 31.12.2017	80,000	(70)	122,059	201,989	-	201,989

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 2018 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 31.12.18 RM'000	Preceding Year Corresponding Period 31.12.17 RM'000
Cash flows from operating activities		
Profit before taxation	18,951	14,379
Adjustments for:		
Non-cash items	1,750	3,514
Operating profit before changes in working capital	20,701	17,893
Changes in working capital		
Inventories	4,981	(12,784)
Trade and other receivables	(8,059)	(2,933)
Trade and other payables	13,047	1,113
(Absorbed by)/Cash from operations	30,670	3,289
Net tax paid	(3,914)	(3,145)
Interest paid	(357)	(373)
Net cash (for)/from operating activities	26,399	(229)
Cash flows from/(for) investing activities		
Interest received	637	605
Proceed of disposal property, plant and equipment	26	-
Purchase of property, plant and equipment	(14,567)	(1,678)
Net cash for investing activities	(13,904)	(1,073)
Cash flows for financing activities		
Drawdown of bankers acceptance	1,407	5,534
Repayment of bank borrowings	(1,118)	(557)
Dividends paid	(3,198)	(3,198)
Net cash from/(for) financing activities	(2,909)	1,779
Net decrease in cash and cash equivalents	9,586	477
Cash and cash equivalents at beginning of period	39,120	38,285
Cash and cash equivalents at end of period	48,706	38,762
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,640	9,026
Short term investments	32,720	26,362
Deposits with licensed banks	3,346	3,374
Cash and cash equivalents	48,706	38,762

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 2018 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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 2018 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 2018.

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 2018.

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 2018 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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

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 ended 30 June 2018 was paid on 26 July 2018 to Depositors whose names are registered in the Record of Depositors on 9 July 2018.

A final dividend of 2.0 sen per ordinary share comprising of 2.0 sen per ordinary share single-tier dividend amounting to RM3,198,300 in respect of the financial year ended 30 June 2018 was paid on 18 January 2019 to Depositors whose names are registered in the Record of Depositors on 21 December 2018.

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 quarter ended 31 December 2018.

9. Debt and Equity Securities

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

10. Segmental Reporting

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

Period Ended 31 December 2018	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	-	15,004	31,419	67,827	-	114,250
Inter-segment sales	575	15,360	1,274	2,017	(19,226)	-
Total revenue	575	30,364	32,693	69,844	(19,226)	114,250
Results						
Profit before tax	597	4,512	4,207	9,563	72	18,951
Tax expense						(4,718)
Profit after tax						14,233
Attributable to :						
Owners of the parent						14,233
Non-controlling interests						-
						14,233

Period Ended 31 December 2017	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	-	16,178	26,150	58,714	-	101,042
Inter-segment sales	527	14,544	720	2,685	(18,476)	-
Total revenue	527	30,722	26,870	61,399	(18,476)	101,042
Results						
Profit before tax	559	3,183	3,105	7,991	(459)	14,379
Tax expense						(3,354)
Profit after tax						11,025
Attributable to :						
Owners of the parent						11,025
Non-controlling interests						-
						11,025

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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 31 December 2018:

	As at 31.12.2018 RM'000	As at 30.06.2018 RM'000
Bank guarantees	<u>965</u>	<u>500</u>

13. Related Party Transactions

There were no significant transactions with related party as at the date of this report.

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 quarter ended.

15. Capital Commitment

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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 RM58.48 million and RM10.90 million respectively, revenue increased by RM6.64 million or 12.8% and profit before tax increase by RM2.13 million or 24.3% as compared to previous year corresponding quarter revenue and profit before tax of RM51.84 million and RM8.77 million respectively.

For the 6 months ended 31 December 2018, the Group recorded revenue and profit before tax of RM114.25 million and RM18.95 million respectively, representing RM13.21 million or 13.1% increase in revenue and RM4.57 million or 31.8% increase in profit before tax as compared to previous year corresponding period revenue and profit before tax of RM101.04 million and RM14.38 million respectively.

The higher sales were mainly attributed by the newly opened Home's Harmony Retail Shops at Melawati Mall, Empire Shopping Gallery and EkoCheras and higher consignment sales. The higher profit before tax in current quarter was due to higher sales and lower operating costs.

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

The Group posted revenue of RM58.48 million for the current quarter under review, an increase of RM2.71 million or 4.9% compared to RM55.77 million in the immediate preceding quarter ended 30 September 2018 was mainly from higher Home's Harmony retail sales and consignment sales due to year end festive sales.

The Group's current quarter profit before tax increased by RM2.85 million or 35.4% to RM10.90 million as compared to RM8.05 million in the immediate preceding quarter was mainly due to higher sales and lower operating costs.

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 2019 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 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM,000	Current Year-To-Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000
Current taxation	2,589	2,587	4,691	4,177
Deferred taxation	58	(493)	27	(856)
Prior year tax expense	-	33	-	33
	<u>2,647</u>	<u>2,127</u>	<u>4,718</u>	<u>3,354</u>

The tax expense for the Group reflects an effective tax rate of approximately 24.9%, which is higher than the statutory tax rate of 24% was to certain 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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 31 December 2018 are as follows:

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total RM'000
Secured			
Bankers' acceptances	13,372	-	13,372

10. Derivative Financial Instruments

As at 31 December 2018, the Group has no outstanding derivative financial instruments.

11. Changes in Material Litigation

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

12. Dividends

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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 31.12.2018	Preceding Year Corresponding Quarter 31.12.2017	Current Year-To-Date 31.12.2018	Preceding Year Corresponding Period 31.12.2017
Profit attributable to owners of the parent (RM'000)	8,256	6,643	14,233	11,025
Total number of weighted average ordinary shares in issue ('000)	159,915	159,915	159,915	159,915
Basic earnings per share (sen)	5.16	4.15	8.90	6.89

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. Authorisation

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 28 February 2019