

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2020 RM'000	Preceding Year Corresponding Quarter 30.06.2019 RM'000	Current Year-To-Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
Revenue	34,511	62,868	201,714	255,625
Operating expenses	(31,101)	(59,437)	(184,526)	(227,325)
Other operating income	749	895	2,790	2,733
Operating profit	4,159	4,326	19,978	31,033
Finance costs	(232)	(110)	(819)	(567)
Profit before taxation	3,927	4,216	19,159	30,466
Tax expense	(895)	(1,088)	(4,684)	(7,638)
Profit after taxation	3,032	3,128	14,475	22,828
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	3,032	3,128	14,475	22,828
Profit after taxation attributable to:				
Owners of the parent	3,032	3,128	14,475	22,828
Non-controlling interests	-	-	-	-
	3,032	3,128	14,475	22,828
Total comprehensive income attributable to:				
Owners of the parent	3,032	3,128	14,475	22,828
Non-controlling interests	-	-	-	-
	3,032	3,128	14,475	22,828
Earnings per share attributable to owners of the parent :				
- Basic (sen)	1.91	1.96	9.07	14.28
- 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 2019 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30.06.2020 RM'000	Audited As At 30.06.2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	56,777	60,311
Right-of-use assets	7,577	-
Deferred tax assets	2,724	2,216
Total non-current assets	67,078	62,527
CURRENT ASSETS		
Inventories	83,071	77,590
Trade and other receivables	35,209	54,645
Tax assets	728	49
Short term investment	55,182	44,175
Deposits, cash and bank balances	15,276	15,246
Total current assets	189,466	191,705
TOTAL ASSETS	256,544	254,232
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(70)
Reserves	154,548	146,451
Total Equity	233,725	226,381
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,138	1,273
Provision	380	370
Lease liabilities	2,478	-
Bank borrowings	1,697	8,258
Total non-current liabilities	5,693	9,901
CURRENT LIABILITIES		
Trade and other payables	9,917	16,932
Tax liabilities	33	-
Lease liabilities	5,199	-
Bank borrowings	1,977	1,018
Total current liabilities	17,126	17,950
TOTAL LIABILITIES	22,819	27,851
TOTAL EQUITY AND LIABILITIES	256,544	254,232
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.46	1.42

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 2019 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			Sub-Total RM000	Non-controlling Interests RM000	Total Equity RM000
	Share Capital RM000	Treasury Share RM000	Retained Profits RM000			
<u>12 months ended 30 June 2020</u>						
As at 1 July 2019	80,000	(70)	146,451	226,381	-	226,381
Profit after taxation / Total comprehensive income for the period	-	-	14,475	14,475	-	14,475
Dividends paid	-	-	(6,378)	(6,378)	-	(6,378)
Buy-back of ordinary share	-	(753)	-	(753)	-	(753)
As at 30.06.2020	80,000	(823)	154,548	233,725	-	233,725
<u>12 months ended 30 June 2019</u>						
As at 01.07.2018	80,000	(70)	132,858	212,788	-	212,788
Opening balance adjustments from	-	-	(2,039)	(2,039)	-	(2,039)
Profit after taxation / Total comprehensive income for the period	-	-	22,828	22,828	-	22,828
Dividends paid	-	-	(7,196)	(7,196)	-	(7,196)
As at 30.06.2019	80,000	(70)	146,451	226,381	-	226,381

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 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
Cash flows from operating activities		
Profit before taxation	19,159	30,466
Adjustments for:		
Interest income	(2,026)	(1,458)
Interest expense	819	567
Depreciation of property, plant and equipment	3,979	3,816
Depreciation of right-of-use assets	6,110	-
Impairment loss for slow moving stock	2,662	1,271
(Write back)/Allowance of Impairment loss on trade receivables	(586)	1,004
Allowance of Impairment loss on other receivables	93	-
Foreign exchange gain	(597)	(313)
Non-cash items	29	(125)
Operating profit before changes in working capital	29,642	35,228
Changes in working capital		
Inventories	(8,143)	24,607
Trade and other receivables	20,134	(3,929)
Trade and other payables	(4,456)	(2,851)
Cash from operations	37,177	53,055
Net tax paid	(5,973)	(8,704)
Interest paid	(524)	(556)
Net cash from operating activities	30,680	43,795
Cash flows from/(for) investing activities		
Interest received	2,026	1,458
Proceed of disposal property, plant and equipment	19	169
Purchase of property, plant and equipment	(1,043)	(14,928)
Buy-back of ordinary shares	(753)	-
Net cash from/(for) investing activities	249	(13,301)
Cash flows for financing activities		
Drawdown/(Repayment) of bankers acceptance	648	(11,412)
(Repayment)/net drawdown of term loan	(6,250)	7,616
Payment of lease obligations	(6,294)	-
Dividends paid	(7,996)	(6,397)
Net cash for financing activities	(19,892)	(10,193)
Net increase in cash and cash equivalents	11,037	20,301
Cash and cash equivalents at beginning of period	59,421	39,120
Cash and cash equivalents at end of period	70,458	59,421
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,803	12,319
Short term investments	55,182	44,175
Deposits with licensed banks	2,473	2,927
Cash and cash equivalents	70,458	59,421

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 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 2019 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 2019.

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 2019.

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 except for changes arising from the adoption of MFRS 16 “Leases”.

The Group has adopted MFRS 16 in current financial period. Under MFRS 16, a lease is a contract that conveys the right to control the use of an identified assets for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either financial leases or operating leases. MFRS 16 requires the leases to recognise a “right-of-use” of the underlying assets and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principles in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the income statement.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

On the date of initial application, the Group applied the modified retrospective method and did not restate comparative amounts for the period prior to first adoption. The impact of adopting MFRS 16 to opening balances are as follows :

<u>Balance sheet</u>	
Impact of adopting MFRS 16 at 1 July 2019 :	
	RM'000
Right-of-use assets	10,033
Lease liabilities	(10,033)

The finance lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 July 2019. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of the prepaid or accrued lease payments. Accordingly, there is no impact to the accumulated earnings of the Group as at 1 July 2019.

On the income statement, expenses which previously included operating lease rental were replaced by interest expenses on lease liabilities and depreciation of the right-of-use assets.

On the statement of cash flows, operating lease rental outflows previously recorded within net cash flows from operating activities were reclassified as net cash flows use in financing activities for repayment of principal of lease liabilities and net cash flows used in operating activities for cash payments for the interest portion of the lease liability.

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 2019 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 YEAR ENDED 30 JUNE 2020

7. Dividends Paid

An interim dividend of 2.5 sen per ordinary share comprising of 2.5 sen per ordinary share single-tier tax exempt dividend amounting to RM3,997,875 in respect of the financial year ending 30 June 2019 was paid on 26 July 2019 to Depositors whose names are registered in the Record of Depositors on 9 July 2019.

A final dividend of 2.5 sen per ordinary share comprising of 2.5 sen per ordinary share single-tier dividend amounting to RM3,997,875 in respect of the financial year ended 30 June 2019 was paid on 17 January 2020 to Depositors whose names are registered in the Record of Depositors on 20 December 2019.

An interim dividend of 1.5 sen per ordinary share comprising of 1.5 sen per ordinary share single-tier tax exempt dividend amounting to RM2,379,791 in respect of the financial year ending 30 June 2020 was paid on 18 August 2020 to Depositors whose names are registered in the Record of Depositors on 29 July 2020.

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 2019.

9. Debt and Equity Securities

The Company repurchased 1,262,300 shares of its issued share capital from the open market at an average purchase price of RM0.60 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 30 June 2020, out of the total 160,000,000 issued and fully paid ordinary shares, 1,347,300 shares were held as treasury shares at an average purchase price of RM0.61 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 YEAR ENDED 30 JUNE 2020
10. Segmental Reporting

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

Period Ended 30.06.2020	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	-	19,845	59,190	122,679		201,714
Inter-segment sales	11,832	19,297	902	6,766	(38,797)	-
Total revenue	11,832	39,142	60,092	129,445	(38,797)	201,714
Results						
Profit before tax	12,036	2,720	5,632	9,378	(10,607)	19,159
Tax expense						(4,684)
Profit after tax						14,475
Attributed to:-						
Owners of the parent						14,475
Non controlling interests						-
						14,475

Period Ended 30.06.2019	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	-	29,713	65,667	160,245	-	255,625
Inter-segment sales	10,150	28,380	2,404	4,749	(45,683)	-
Total revenue	10,150	58,093	68,071	164,994	(45,683)	255,625
Results						
Profit before tax	10,284	5,163	8,069	15,849	(8,899)	30,466
Tax expense						(7,638)
Profit after tax						22,828
Attributed to:-						
Owners of the parent						22,828
Non controlling interests						-
						22,828

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 2020:

	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000
Bank guarantees	<u>677</u>	<u>1,181</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

The Standard Operating Procedures (“SOP”) imposed during Recovery MCO has restricted the Group’s operations from operating at full capacity and the preventive measures imposed by certain countries have also impacted the Group’s export sales. Consequently, the Group’s results for the coming months will be impacted by the Covid-19 pandemic both locally and abroad.

Other than the above, there were 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 YEAR ENDED 30 JUNE 2020

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 RM34.51 million and RM3.93 million respectively, representing RM28.36 million or 45.1% drop in revenue and RM0.29 million or 6.9% drop in profit before tax as compared to the corresponding quarter in previous year's revenue and profit before tax of RM62.87 million and RM4.22 million respectively. Revenue drop significantly was due to unprecedented MCO as the Group was not allowed to operate its retails business because bed linen and homeware are non-essential products. The SOP imposed during Conditional and Recovery MCO have restricted the Group's operations from operating at full capacity and the preventive measures imposed by certain countries have impacted the Group's export sales. Lower sales and provision for certain expenses have resulted in lower profit before tax in this current quarter.

For the 12 months ended 30 June 2020, the Group recorded revenue and profit before tax of RM201.71 million and RM19.16 million respectively, representing RM53.91 million or 21.1% drop in revenue and RM11.31 million or 37.1% drop in profit before tax as compared to previous year corresponding period revenue and profit before tax of RM255.62 million and RM30.47 million respectively.

Lower revenue for the period ended 30 June 2020 was due to Covid-19 pandemic that have impacted the Group's sales both locally and abroad. Lower sales and provision for certain expenses have resulted in lower profit before tax.

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

The Group revenue for the current quarter under review, drop by RM15.71 million or 31.3% to RM34.51 million compared to RM50.22 million in the immediate preceding quarter ended 31 March 2020 was mainly due to Covid-19 pandemic.

The Group's current quarter profit before tax drop by RM1.48 million or 27.4% to RM3.93 million as compared to RM5.41 million in the immediate preceding quarter was due to lower sales and provision for certain expenses.

3. Prospects for the Current Financial Year

The Covid-19 Pandemic started as a health crisis has evolved into a global economic crisis and the recovery is still uncertain. The local retail market and export sales will remain challenging and competitive in moving forward. Nevertheless, the management has taken various austerity measures including streamline operations, pro-active marketing strategies and with the Group's underlying fundamental strength of efficient business operations, financial stability and wide distribution network, the Board expects the impact is mitigated and a satisfactory growth in the financial performance of the Group for the coming financial year ending 30 June 2021 .

4. Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 Ended	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Current taxation	998	687	5,479	7,221
Deferred taxation	(34)	469	(643)	391
Prior year tax expense	(69)	(68)	(152)	26
	<u>895</u>	<u>1,088</u>	<u>4,684</u>	<u>7,638</u>

The tax expense for the Group reflects an effective tax rate of approximately 24.4%, which is higher than the statutory tax rate of 24% was due 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.

8. Status of Corporate Proposals

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 June 2020 are as follows:

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total RM'000
Secured			
Bankers' acceptances	1,201	-	1,201
Term loan	<u>776</u>	<u>1,697</u>	<u>2,473</u>
	<u><u>1,977</u></u>	<u><u>1,697</u></u>	<u><u>3,674</u></u>

10. Derivative Financial Instruments

As at 30 June 2020, the Group has no significant outstanding derivative 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 1.5 sen per ordinary share comprising of 1.5 sen per ordinary share single-tier tax exempt dividend amounting to RM2,379,791 in respect of the financial year ended 30 June 2020. 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 YEAR ENDED 30 JUNE 2020

13. Earnings 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 30.06.2020	Preceding Year Corresponding Quarter 30.06.2019	Current Year-To-Date 30.06.2020	Preceding Year Corresponding Period 30.06.2019
Profit attributable to owners of the parent (RM'000)	3,032	3,128	14,475	22,828
Total number of weighted average ordinary shares in issue ('000)	158,653	159,915	159,554	159,915
Basic earnings per share (sen)	1.91	1.96	9.07	14.28

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 27 August 2020.