

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year-To-Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
Revenue	59,727	52,187	59,727	52,187
Operating expenses	(52,438)	(47,683)	(52,438)	(47,683)
Other operating income	545	740	545	740
Operating profit	7,834	5,244	7,834	5,244
Finance costs	(246)	(154)	(246)	(154)
Profit before taxation	7,588	5,090	7,588	5,090
Tax expense	(1,893)	(1,328)	(1,893)	(1,328)
Profit after taxation	5,695	3,762	5,695	3,762
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	5,695	3,762	5,695	3,762
Profit after taxation attributable to:				
Owners of the parent	5,695	3,762	5,695	3,762
Non-controlling interests	-	-	-	-
	5,695	3,762	5,695	3,762
Total comprehensive income attributable to:				
Owners of the parent	5,695	3,762	5,695	3,762
Non-controlling interests	-	-	-	-
	5,695	3,762	5,695	3,762
Earnings per share attributable to owners of the parent :				
- Basic (sen)	3.59	2.35	3.59	2.35
- 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 2020 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30.09.2020 RM'000	Audited As At 30.06.2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	55,948	56,777
Right-of-use assets	6,613	7,577
Deferred tax assets	2,892	2,723
Total non-current assets	65,453	67,077
CURRENT ASSETS		
Inventories	73,120	83,071
Trade and other receivables	38,337	35,209
Tax assets	392	728
Short term investment	65,837	55,182
Deposits, cash and bank balances	21,187	15,276
Total current assets	198,873	189,466
TOTAL ASSETS	264,326	256,543
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(823)
Reserves	160,243	154,548
Total Equity	239,420	233,725
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,152	1,138
Provision	375	380
Lease liabilities	1,495	2,477
Bank borrowings	1,495	1,697
Total non-current liabilities	4,517	5,692
CURRENT LIABILITIES		
Trade and other payables	12,591	9,917
Tax liabilities	533	33
Lease liabilities	5,278	5,199
Bank borrowings	1,987	1,977
Total current liabilities	20,389	17,126
TOTAL LIABILITIES	24,906	22,818
TOTAL EQUITY AND LIABILITIES	264,326	256,543
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.51	1.46

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 2020 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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>3 months ended 30 September 2020</u>						
As at 1 July 2020	80,000	(823)	154,548	233,725	-	233,725
Profit after taxation / Total comprehensive income for the period	-	-	5,695	5,695	-	5,695
As at 30.09.2020	80,000	(823)	160,243	239,420	-	239,420
<u>3 months ended 30 September 2019</u>						
As at 01.07.2019	80,000	(70)	146,451	226,381	-	226,381
Profit after taxation / Total comprehensive income for the period	-	-	3,762	3,762	-	3,762
As at 30.09.2019	80,000	(70)	150,213	230,143	-	230,143

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 2020 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
Cash flows from operating activities		
Profit before taxation	7,588	5,090
Adjustments for:		
Interest income	(497)	(460)
Interest expense	246	154
Depreciation of property, plant and equipment	968	958
Depreciation of right-of-use assets	1,618	1,583
Impairment loss for slow moving stock	567	257
(Write back)/Allowance of Impairment loss on trade receivables	(241)	(1,675)
Foreign exchange gain	388	157
Non-cash items	(21)	17
Operating profit before changes in working capital	10,616	6,081
Changes in working capital		
Inventories	9,384	(5,454)
Trade and other receivables	(3,283)	6,614
Trade and other payables	5,052	1,409
Cash from operations	21,769	8,650
Net tax paid	(1,211)	(2,034)
Interest paid	(29)	(110)
Net cash from operating activities	20,529	6,506
Cash flows from/(for) investing activities		
Interest received	497	460
Proceed of disposal property, plant and equipment	34	4
Purchase of property, plant and equipment	(152)	(278)
Net cash from investing activities	379	186
Cash flows for financing activities		
Drawdown of bankers acceptance	-	414
(Repayment)/net drawdown of term loan	(191)	369
Payment of lease obligations	(1,771)	(1,744)
Dividends paid	(2,380)	(3,998)
Net cash for financing activities	(4,342)	(4,959)
Net increase in cash and cash equivalents	16,566	1,733
Cash and cash equivalents at beginning of period	70,458	59,421
Cash and cash equivalents at end of period	87,024	61,154
Cash and cash equivalents comprise the following:		
Cash and bank balances	18,709	13,007
Short term investments	65,837	45,206
Deposits with licensed banks	2,478	2,941
Cash and cash equivalents	87,024	61,154

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 2020 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 2020 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 2020.

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 2020.

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 2020 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 30 SEPTEMBER 2020

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 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 2020.

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 30 SEPTEMBER 2020

10. Segmental Reporting

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

Period Ended 30.09.2020	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	-	5,237	18,294	36,196		59,727
Inter-segment sales	166	6,421	278	1,486	(8,351)	-
Total revenue	166	11,658	18,572	37,682	(8,351)	59,727
Results						
Profit before tax	178	1,316	3,143	2,888	63	7,588
Tax expense						(1,893)
Profit after tax						5,695
Attributed to:-						
Owners of the parent						5,695
Non controlling interests						-
						5,695

Period Ended 30.09.2019	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	-	4,847	15,833	31,507	-	52,187
Inter-segment sales	275	6,378	386	1,551	(8,590)	-
Total revenue	275	11,225	16,219	33,058	(8,590)	52,187
Results						
Profit before tax	307	2,183	1,284	1,532	(216)	5,090
Tax expense						(1,328)
Profit after tax						3,762
Attributed to:-						
Owners of the parent						3,762
Non controlling interests						-
						3,762

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 30.09.2020 RM'000	As at 30.06.2020 RM'000
Bank guarantees	<u>615</u>	<u>677</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 imposed during Conditional Movement Control Order 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 QUARTER ENDED 30 SEPTEMBER 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 RM59.73 million and RM7.59 million respectively, representing RM7.54 million or 14.4% increase in revenue and RM2.50 million or 49.1% increase in profit before tax as compared to the corresponding quarter in previous year's revenue and profit before tax of RM52.19 million and RM5.09 million respectively. Revenue increased mainly due to higher consignment and retail sales. Higher profit was due to higher sales and lower operating expenses attributed by the company's cost saving initiatives and the government's stimulus package.

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, increased by RM25.22 million or 73.1% to RM59.73 million compared to RM34.51 million in the immediate preceding quarter ended 30 June 2020 because the Group was not allowed to operate its retails business during Movement Control Order from 18 March 2020 till 4 May 2020.

The Group's current quarter profit before tax increased by RM3.66 million or 93.2% to RM7.59 million as compared to RM3.93 million in the immediate preceding quarter was due to higher sales and lower operating expenses attributed by the company's cost-saving initiatives and the government's stimulus package.

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 QUARTER ENDED 30 SEPTEMBER 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
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Current taxation	2,047	1,028	2,047	1,028
Deferred taxation	(154)	300	(154)	300
	<u>1,893</u>	<u>1,328</u>	<u>1,893</u>	<u>1,328</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 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 QUARTER ENDED 30 SEPTEMBER 2020

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 September 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	786	1,495	2,281
	<u>1,987</u>	<u>1,495</u>	<u>3,482</u>

10. Derivative Financial Instruments

As at 30 September 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 approved 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 ending 30 June 2020, will be paid on 19th January 2021 to Depositors whose names are registered in the Record of Depositors on 22nd December 2020.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 30.09.2020	Preceding Year Corresponding Quarter 30.09.2019	Current Year-To-Date 30.09.2020	Preceding Year Corresponding Period 30.09.2019
Profit attributable to owners of the parent (RM'000)	5,695	3,762	5,695	3,762
Total number of weighted average ordinary shares in issue ('000)	158,653	159,915	158,653	159,915
Basic earnings per share (sen)	3.59	2.35	3.59	2.35

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

14. Profit Before Tax

The following items have been included in arriving at profit before tax :

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year-To-Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
After charging :				
Interest expense	246	154	246	154
Depreciation and amortisation	2,586	2,541	2,586	2,541
Impairment loss for slow moving stock	567	257	567	257
Realised foreign exchange loss	68	-	68	-
Unrealised foreign exchange loss	320	162	320	162
After crediting :				
Interest income	(497)	(460)	(497)	(460)
Gain on disposal of assets	(26)	(1)	(26)	(1)
Writeback of impairment loss on trade receivable	(241)	(1,675)	(241)	(1,675)
Realised foreign exchange gain	-	(5)	-	(5)

There were no gain or loss on disposal of quoted or unquoted investments or properties and derivative financial instruments for the current quarter and financial year to-date under review.

15. Authorisation

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 26 November 2020.