

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Revenue	22,119	59,727	22,119	59,727
Operating expenses	(20,951)	(52,438)	(20,951)	(52,438)
Other operating income	366	545	366	545
Operating profit	1,534	7,834	1,534	7,834
Finance costs	(108)	(246)	(108)	(246)
Profit before taxation	1,426	7,588	1,426	7,588
Tax expense	(423)	(1,893)	(423)	(1,893)
Profit after taxation	1,003	5,695	1,003	5,695
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,003	5,695	1,003	5,695
Profit after taxation attributable to:				
Owners of the parent	1,003	5,695	1,003	5,695
Non-controlling interests	-	-	-	-
	1,003	5,695	1,003	5,695
Total comprehensive income attributable to:				
Owners of the parent	1,003	5,695	1,003	5,695
Non-controlling interests	-	-	-	-
	1,003	5,695	1,003	5,695
Earnings per share attributable to owners of the parent :				
- Basic (sen)	0.63	3.59	0.63	3.59
- 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 2021 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30.09.2021 RM'000	Audited As At 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	52,669	53,486
Right-of-use assets	4,756	6,259
Deferred tax assets	3,661	3,570
Total non-current assets	61,086	63,315
CURRENT ASSETS		
Inventories	83,720	74,694
Trade and other receivables	25,315	27,702
Tax assets	1,261	480
Short term investment	87,976	93,476
Deposits, cash and bank balances	15,931	20,387
Total current assets	214,203	216,739
TOTAL ASSETS	275,289	280,054
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(823)
Reserves	172,322	171,319
Total Equity	251,499	250,496
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,137	1,203
Provision	387	385
Lease liabilities	2,139	1,987
Bank borrowings	693	895
Total non-current liabilities	4,356	4,470
CURRENT LIABILITIES		
Trade and other payables	8,950	14,859
Tax liabilities	664	1,480
Lease liabilities	2,730	4,409
Bank borrowings	7,090	4,340
Total current liabilities	19,434	25,088
TOTAL LIABILITIES	23,790	29,558
TOTAL EQUITY AND LIABILITIES	275,289	280,054
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.59	1.58

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 2021 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
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 2021</u>						
As at 1 July 2021	80,000	(823)	171,319	250,496	-	250,496
Profit after taxation / Total comprehensive income for the period	-	-	1,003	1,003	-	1,003
As at 30.09.2021	80,000	(823)	172,322	251,499	-	251,499
<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

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 2021 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Cash flows from operating activities		
Profit before taxation	1,426	7,588
Adjustments for:		
Interest income	(240)	(497)
Interest expense	108	246
Depreciation of property, plant and equipment	890	968
Depreciation of right-of-use assets	1,517	1,618
Impairment loss for slow moving stock	228	567
(Write back)/Allowance of Impairment loss on trade receivables	4	(241)
Unrealised foreign exchange (gain)/loss	(70)	320
Non-cash items	(346)	(21)
Operating profit before changes in working capital	3,517	10,548
Changes in working capital		
Inventories	(9,254)	9,384
Trade and other receivables	2,399	(3,208)
Trade and other payables	(1,890)	5,045
Cash used (for)/from operations	(5,228)	21,769
Net tax paid	(2,177)	(1,211)
Interest paid	(44)	(29)
Net cash (for)/from operating activities	(7,449)	20,529
Cash flows from/(for) investing activities		
Interest received	240	497
Proceed of disposal property, plant and equipment	-	34
Purchase of property, plant and equipment	(74)	(152)
Net cash from investing activities	166	379
Cash flows for financing activities		
Drawdown of bankers acceptance	2,746	-
(Repayment)/net drawdown of term loan	(198)	(191)
Payment of lease obligations	(1,255)	(1,771)
Dividends paid	(3,966)	(2,380)
Net cash for financing activities	(2,673)	(4,342)
Net (decrease)/increase in cash and cash equivalents	(9,956)	16,566
Cash and cash equivalents at beginning of period	113,863	70,458
Cash and cash equivalents at end of period	103,907	87,024
Cash and cash equivalents comprise the following:		
Cash and bank balances	15,931	18,709
Short term investments	83,976	65,837
Deposits with licensed banks	4,000	2,478
Cash and cash equivalents	103,907	87,024

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 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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 2021 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 2021.

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 2021.

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 2021 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 2021

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 2.5 sen per ordinary share comprising of 2.5 sen per ordinary share single-tier tax exempt dividend amounting to RM3,966,319 in respect of the financial year ending 30 June 2021 was paid on 16 July 2021 to Depositors whose names are registered in the Record of Depositors on 28 June 2021.

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 2021.

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 2021

10. Segmental Reporting

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

Period Ended 30.09.2021	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	-	2,432	5,221	14,466		22,119
Inter-segment sales	261	1,914	290	1,350	(3,815)	-
Total revenue	261	4,346	5,511	15,816	(3,815)	22,119

Results						
Profit before tax	229	(33)	(116)	1,238	108	1,426
Tax expense						(423)
Profit after tax						1,003
Attributed to:-						
Owners of the parent						1,003
Non controlling interests						-
						1,003

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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 2021:

	As at 30.09.2021 RM'000	As at 30.06.2021 RM'000
Bank guarantees	<u>590</u>	<u>590</u>

13. Related Party Transactions

Significant related party transactions for the current quarter under review are as follows :

	As at 30.09.2021 RM'000
NC Twenty Eight Glory Sdn Bhd - Supply of home linen products	<u>568</u>

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

The Standard Operating Procedures imposed during National Recovery Plan 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

The Group capital commitments in this current quarter under review are as follows :

	As at 30.09.21 RM'000
a) Warehouse extension	1,000
b) New Office renovation	1,500
c) Solar photovoltaic module system	1,320
	<u>3,820</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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 RM22.12 million and RM1.43 million respectively, representing RM37.61 million or 63.0% drop in revenue and RM6.16 million or 81.2% drop in profit before tax as compared to the corresponding quarter in previous year's revenue and profit before tax of RM59.73 million and RM7.59 million respectively. Lower revenue was due to Movement Control Order (MCO) 3.0 and National Recovery Plan which had temporarily suspended the Group's retail and consignment business from 1st July 2021 till 19th August 2021. Lower profit was due to lower sales.

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 RM15.02 million or 40.4% to RM22.12 million compared to RM37.14 million in the immediate preceding quarter ended 30 June 2021 because the Group's retail and consignment business was temporarily suspended due to MCO 3.0 and National Recovery Plan from 1st July 2021 till 19th August 2021.

The Group's current quarter profit before tax drop by RM2.53 million or 63.9% to RM1.43 million as compared to RM3.96 million in the immediate preceding quarter was due to lower sales.

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 2022.

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 Ended	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current taxation	529	2,047	529	2,047
Prior year taxation	51	-	51	-
Deferred taxation	(157)	(154)	(157)	(154)
	<u>423</u>	<u>1,893</u>	<u>423</u>	<u>1,893</u>

The tax expense for the Group reflects an effective tax rate of approximately 29.7%, which is higher than the statutory tax rate of 24% was due to prior year tax adjustment and 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.

9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 30 September 2021 are as follows:

	Short Term Borrowings	Long Term Borrowings	Total
	RM'000	RM'000	RM'000
Secured			
Bankers' acceptances	6,285	-	6,285
Term loan	805	693	1,498
	<u>7,090</u>	<u>693</u>	<u>7,783</u>

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10. Derivative Financial Instruments

As at 30 September 2021, 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 2021, will be paid on 19th January 2022 to Depositors whose names are registered in the Record of Depositors on 22nd December 2021.

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 30.09.2021	Preceding Year Corresponding Quarter 30.09.2020	Current Year-To-Date 30.09.2021	Preceding Year Corresponding Period 30.09.2020
Profit attributable to owners of the parent (RM'000)	1,003	5,695	1,003	5,695
Total number of weighted average ordinary shares in issue ('000)	158,653	158,653	158,653	158,653
Basic earnings per share (sen)	0.63	3.59	0.63	3.59

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. Profit Before Tax

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

	Individual Quarter		Cumulative Quarter	
		Preceding Year		Preceding Year
	Current Year	Corresponding	Current	Corresponding
	Quarter	Quarter	Year-To-Date	Period
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
After charging :				
Interest expense	108	246	108	246
Depreciation and amortisation	890	968	890	968
Depreciation of right-of-use assets	1,517	1,618	1,517	1,618
Impairment loss for slow moving stock	228	567	228	567
Allowance of impairment loss on trade receivable	4	-	4	-
Realised foreign exchange loss	7	68	7	68
Unrealised foreign exchange loss	-	320	-	320
After crediting :				
Interest income	(240)	(497)	(240)	(497)
Gain on disposal of assets	(26)	(26)	(26)	(26)
Writeback of impairment loss on trade receivable	-	(241)	-	(241)
Realised foreign exchange gain	(4)	-	(4)	-
Unrealised foreign exchange gain	(70)	-	(70)	-

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 23rd November 2021.