

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.23 RM'000	Preceding Year Corresponding Quarter 31.03.22 RM'000	Current Year-To-Date 31.03.23 RM'000	Preceding Year Corresponding Period 31.03.22 RM'000
Revenue	69,833	64,333	203,700	158,590
Operating expenses	(55,122)	(51,806)	(167,166)	(129,906)
Other operating income	934	660	3,039	1,357
Operating profit	15,645	13,187	39,573	30,041
Finance costs	(203)	(116)	(536)	(326)
Profit before taxation	15,442	13,071	39,037	29,715
Tax expense	(3,543)	(3,084)	(9,450)	(7,243)
Profit after taxation	11,899	9,987	29,587	22,472
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	11,899	9,987	29,587	22,472
Profit after taxation attributable to:				
Owners of the parent	11,899	9,987	29,587	22,472
Non-controlling interests	-	-	-	-
	11,899	9,987	29,587	22,472
Total comprehensive income attributable to:				
Owners of the parent	11,899	9,987	29,587	22,472
Non-controlling interests	-	-	-	-
	11,899	9,987	29,587	22,472
Earnings per share attributable to owners of the parent :				
- Basic (sen)	7.50	6.29	18.65	14.16
- 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 2022 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.03.2023 RM'000	Audited As At 30.06.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	55,256	55,046
Right-of-use assets	8,262	6,404
Deferred tax assets	2,006	2,643
Total non-current assets	65,524	64,093
CURRENT ASSETS		
Inventories	95,830	68,792
Trade and other receivables	47,136	43,514
Tax assets	309	840
Short term investment	41,284	73,735
Deposits, cash and bank balances	83,672	59,882
Total current assets	268,231	246,763
TOTAL ASSETS	333,755	310,856
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(823)
Reserves	222,879	198,052
Total Equity	302,056	277,229
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,910	1,617
Provision	389	386
Lease liabilities	3,694	2,732
Bank borrowings	-	73
Total non-current liabilities	5,993	4,808
CURRENT LIABILITIES		
Trade and other payables	11,322	18,170
Tax liabilities	3,529	2,188
Lease liabilities	4,738	3,792
Bank borrowings	6,117	4,669
Total current liabilities	25,706	28,819
TOTAL LIABILITIES	31,699	33,627
TOTAL EQUITY AND LIABILITIES	333,755	310,856
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.90	1.75

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 2022 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
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>9 months ended 31 March 2023</u>						
As at 1 July 2022	80,000	(823)	198,052	277,229	-	277,229
Profit after taxation / Total comprehensive income for the period	-	-	29,587	29,587	-	29,587
Dividends paid	-	-	(4,760)	(4,760)	-	(4,760)
As at 31.03.2023	80,000	(823)	222,879	302,056	-	302,056
<u>9 months ended 31 March 2022</u>						
As at 1 July 2021	80,000	(823)	171,319	250,496	-	250,496
Profit after taxation / Total comprehensive income for the period	-	-	22,472	22,472	-	22,472
Dividends paid	-	-	(2,380)	(2,380)	-	(2,380)
As at 31.03.2022	80,000	(823)	191,411	270,588	-	270,588

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 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 31.03.2023 RM'000	Preceding Year Corresponding Period 31.03.2022 RM'000
Cash flows from operating activities		
Profit before taxation	39,037	29,715
Adjustments for:		
Interest income	(2,731)	(1,102)
Interest expense	536	326
Depreciation of property, plant and equipment	2,693	2,742
Depreciation of right-of-use assets	4,261	3,618
Write-back impairment loss for slow moving stock	(1,669)	(242)
Write-back of Impairment loss on trade receivables	(1,889)	(2,243)
Unrealised foreign exchange gain	(39)	(87)
Non-cash items	30	(413)
Operating profit before changes in working capital	40,229	32,314
Changes in working capital		
Inventories	(25,370)	8,964
Trade and other receivables	(1,686)	(16,374)
Trade and other payables	(2,099)	691
Cash from operations	11,074	25,595
Net tax paid	(6,648)	(6,962)
Interest paid	(225)	(136)
Net cash from operating activities	4,201	18,497
Cash flows from/(for) investing activities		
Interest received	2,731	1,102
Proceed of disposal property, plant and equipment	4	-
Purchase of property, plant and equipment	(2,937)	(2,633)
Net cash for investing activities	(202)	(1,531)
Cash flows for financing activities		
Drawdown of bankers acceptance	2,010	2,900
Repayment of term loan	(635)	(598)
Payment of lease obligations	(4,516)	(3,341)
Dividends paid	(9,519)	(6,346)
Net cash for financing activities	(12,660)	(7,385)
Net (decrease)/increase in cash and cash equivalents	(8,661)	9,581
Cash and cash equivalents at beginning of period	133,617	113,863
Cash and cash equivalents at end of period	124,956	123,444
Cash and cash equivalents comprise the following:		
Cash and bank balances	17,987	20,856
Short term investments	41,284	68,581
Deposits with licensed banks	65,685	34,007
Cash and cash equivalents	124,956	123,444

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 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022 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 2022.

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 2022.

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 2022 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 MARCH 2023

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 3.0 sen per ordinary share comprising of 3.0 sen per ordinary share single-tier tax exempt dividend amounting to RM4,759,581 in respect of the financial year ending 30 June 2022 was paid on 21 July 2022 to Depositors whose names are registered in the Record of Depositors on 28 June 2022.

The approved final dividend of 3.0 sen per ordinary share comprising of 3.0 sen per ordinary share single-tier tax exempt dividend amounting to RM4,759,581 in respect of the financial year ending 30 June 2022, was paid on 19 January 2023 to Depositors whose names were registered in the Record of Depositors on 22 December 2022.

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 2022.

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 MARCH 2023

10. Segmental Reporting

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

Period Ended 31.03.2023	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	-	20,624	72,862	110,214		203,700
Inter-segment sales	15,847	17,248	673	4,471	(38,239)	-
Total revenue	15,847	37,872	73,535	114,685	(38,239)	203,700
Results						
Profit before tax	15,987	6,356	15,735	16,675	(15,716)	39,037
Tax expense						(9,450)
Profit after tax						29,587
Attributed to:-						
Owners of the parent						29,587
Non controlling interests						-
						29,587

Period Ended 31.03.2022	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	-	13,671	49,861	95,058		158,590
Inter-segment sales	15,782	14,701	1,271	4,766	(36,520)	-
Total revenue	15,782	28,372	51,132	99,824	(36,520)	158,590
Results						
Profit before tax	15,652	5,100	9,319	14,508	(14,864)	29,715
Tax expense						(7,243)
Profit after tax						22,472
Attributed to:-						
Owners of the parent						22,472
Non controlling interests						-
						22,472

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022:

	As at 31.03.2023 RM'000	As at 30.06.2022 RM'000
Bank guarantees	<u>615</u>	<u>524</u>

13. Related Party Transactions

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

	As at 31.03.2023 RM'000
NC Twenty Eight Glory Sdn Bhd - Supply of home linen products	<u>952</u>

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 MARCH 2023

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 of RM69.83 million, increase by RM5.50 million or 8.5% as compared with the previous year corresponding quarter revenue of RM64.33 million. Sales increased were due to higher export sales, retail sales attributed by its Home's Harmony Boutique shops and consignment sales.

The Group's profit before tax increase by RM2.37 million or 18.1% to RM15.44 million from RM13.07 million in the previous year corresponding quarter was due to higher sales and write-back of impairment loss.

For the 9 months ended 31 March 2023, the Group recorded revenue of RM203.70 million, increase of RM45.11 million or 28.4% compared with the previous year corresponding period revenue of RM158.59 million. Higher sales were from export, retails and consignment because the Covid-19 lockdown of 1st quarter last year that had suspended the Group's retail and consignment business.

The Group profit before tax for the 9 months ended 31 March 2023 increased by RM9.32 million or 31.4% to RM39.04 million from previous year corresponding period of RM29.72 million. Higher profit was mainly due to higher sales, higher interest income and write-back of impairment loss.

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 RM2.17 million or 3.0% to RM69.83 million compared to RM72.00 million in the immediate preceding quarter ended 31 December 2022 was due to year end festive season sales.

The Group's current quarter profit before tax increased by RM2.51 million or 19.4% to RM15.44 million as compared to RM12.93 million in the immediate preceding quarter albeit lower sales was due to write-back of impairment loss from stock and trade receivables.

3. Prospects for the Current Financial Year

The recovery in the global economic crisis is still uncertain and the local retail market and export sales 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 2023 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

5. Taxation

The tax expense charged for the current financial quarter and current financial year to-date under review includes the following:

	31.03.2023	Quarter	31.03.2023	Period
	RM'000	31.03.2022	31.03.2023	31.03.2022
		RM'000	RM'000	RM'000
Current taxation	2,884	2,774	8,610	6,648
Prior year taxation	(90)	(43)	(90)	(3)
Deferred taxation	749	353	930	598
	<u>3,543</u>	<u>3,084</u>	<u>9,450</u>	<u>7,243</u>

The tax expense for the Group reflects an effective tax rate of approximately 24.2%, which is higher than the statutory tax rate of 24% was 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.

8. Status of Corporate Proposals

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

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9. Group Borrowings and Debt Securities

The Group's total borrowings and debts securities as at 31 March 2023 are as follows:

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total RM'000
Secured			
Bankers' acceptances	5,856	-	5,856
Term loan	261	-	261
	<u>6,117</u>	<u>-</u>	<u>6,117</u>

10. Derivative Financial Instruments

As at 31 March 2023, 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 of Directors has declared an interim dividend of 3.5 sen per ordinary share comprising of 3.5 sen per ordinary share single-tier tax exempt dividend amounting to RM5,552,844.50 in respect of the financial year ending 30 June 2023.

The interim dividend will be paid on 25 July 2023 to Depositors whose names are registered in the Record of Depositors on 28 June 2023.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 31.03.2023	Preceding Year Corresponding Quarter 31.03.2022	Current Year-To-Date 31.03.2023	Preceding Year Corresponding Period 31.03.2022
Profit attributable to owners of the parent (RM'000)	11,899	9,987	29,587	22,472
Total number of weighted average ordinary shares in issue ('000)	158,653	158,653	158,653	158,653
Basic earnings per share (sen)	7.50	6.29	18.65	14.16

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 31 MARCH 2023

14. Profit Before Tax

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

	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year-To-Date	Corresponding
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
After charging :				
Interest expense	203	116	536	326
Depreciation and amortisation	899	945	2,693	2,742
Depreciation of right-of-use assets	1,494	1,019	4,261	3,618
Realised foreign exchange loss	110	-	-	-
After crediting :				
Interest income	(1,008)	(541)	(2,731)	(1,102)
Gain on disposal of assets	-	-	(4)	-
Write-back for slow moving stock	(821)	(207)	(1,669)	(242)
Write-back of impairment loss on trade receivable	(1,392)	(1,311)	(1,889)	(2,243)
Realised foreign exchange gain	-	(17)	(233)	(107)
Unrealised foreign exchange gain	(252)	(71)	(39)	(87)

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 25 May 2023.