

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	Current Year-To-Date 30.06.2023 RM'000	Preceding Year Corresponding Period 30.06.2022 RM'000
Revenue	58,796	69,379	262,496	227,969
Operating expenses	(49,361)	(55,012)	(216,527)	(184,918)
Other operating income	1,824	915	4,863	2,272
Operating profit	11,259	15,282	50,832	45,323
Finance costs	(148)	(144)	(684)	(470)
Profit before taxation	11,111	15,138	50,148	44,853
Tax expense	(2,626)	(3,738)	(12,077)	(10,981)
Profit after taxation	8,485	11,400	38,071	33,872
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,485	11,400	38,071	33,872
Profit after taxation attributable to:				
Owners of the parent	8,485	11,400	38,071	33,872
Non-controlling interests	-	-	-	-
	8,485	11,400	38,071	33,872
Total comprehensive income attributable to:				
Owners of the parent	8,485	11,400	38,071	33,872
Non-controlling interests	-	-	-	-
	8,485	11,400	38,071	33,872
Earnings per share attributable to owners of the parent :				
- Basic (sen)	5.35	7.19	24.00	21.35
- 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 2022 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30.06.2023 RM'000	Audited As At 30.06.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	54,563	55,046
Right-of-use assets	7,578	6,404
Deferred tax assets	1,664	2,643
Total non-current assets	63,805	64,093
CURRENT ASSETS		
Inventories	94,997	68,792
Trade and other receivables	39,343	43,514
Tax assets	598	840
Short term investment	77,015	73,735
Deposits, cash and bank balances	59,943	59,882
Total current assets	271,896	246,763
TOTAL ASSETS	335,701	310,856
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(823)
Reserves	225,810	198,052
Total Equity	304,987	277,229
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,911	1,617
Provision	398	386
Lease liabilities	3,004	2,732
Bank borrowings	-	73
Total non-current liabilities	5,313	4,808
CURRENT LIABILITIES		
Trade and other payables	15,165	18,170
Tax liabilities	2,950	2,188
Lease liabilities	4,740	3,792
Bank borrowings	2,546	4,669
Total current liabilities	25,401	28,819
TOTAL LIABILITIES	30,714	33,627
TOTAL EQUITY AND LIABILITIES	335,701	310,856
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	1.92	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 YEAR ENDED 30 JUNE 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>12 months ended 30 June 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	-	-	38,071	38,071	-	38,071
Dividends paid	-	-	(10,313)	(10,313)	-	(10,313)
As at 30.06.2023	80,000	(823)	225,810	304,987	-	304,987
<u>12 months ended 30 Jun 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	-	-	33,872	33,872	-	33,872
Dividends paid	-	-	(7,139)	(7,139)	-	(7,139)
As at 30.06.2022	80,000	(823)	198,052	277,229	-	277,229

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 YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.06.2023 RM'000	Preceding Year Corresponding Period 30.06.2022 RM'000
Cash flows from operating activities		
Profit before taxation	50,148	44,853
Adjustments for:		
Interest income	(3,866)	(1,679)
Interest expense	684	470
Depreciation of property, plant and equipment	3,573	3,687
Depreciation of right-of-use assets	5,709	5,040
Write-back impairment loss for slow moving stock	(2,097)	(3,070)
Write-back of Impairment loss on receivables	(1,767)	(1,031)
Unrealised foreign exchange gain	(532)	(249)
Non-cash items	37	(627)
Operating profit before changes in working capital	51,889	47,394
Changes in working capital		
Inventories	(24,108)	8,972
Trade and other receivables	6,206	(14,686)
Trade and other payables	(3,537)	2,649
Cash from operations	30,450	44,329
Net tax paid	(9,800)	(9,292)
Interest paid	(275)	(179)
Net cash from operating activities	20,375	34,858
Cash flows from/(for) investing activities		
Interest received	3,866	1,679
Proceed of disposal property, plant and equipment	13	35
Purchase of property, plant and equipment	(3,132)	(5,371)
Net cash from/(for) investing activities	747	(3,657)
Cash flows for financing activities		
Drawdown of bankers acceptance	(1,300)	307
Repayment of term loan	(896)	(800)
Payment of lease obligations	(6,066)	(4,608)
Dividends paid	(9,519)	(6,346)
Net cash for financing activities	(17,781)	(11,447)
Net increase in cash and cash equivalents	3,341	19,754
Cash and cash equivalents at beginning of period	133,617	113,863
Cash and cash equivalents at end of period	136,958	133,617
Cash and cash equivalents comprise the following:		
Cash and bank balances	17,258	17,862
Short term investments	77,015	73,735
Deposits with licensed banks	42,685	42,020
Cash and cash equivalents	136,958	133,617

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 YEAR ENDED 30 JUNE 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 YEAR ENDED 30 JUNE 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.

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 RM5,552,845 in respect of the financial year ending 30 June 2023 was paid on 25 July 2023 to Depositors whose names are registered in the Record of Depositors on 28 June 2023.

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 YEAR ENDED 30 JUNE 2023

10. Segmental Reporting

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

Period Ended	Investment holding	Design and manufacturing	Retailing	Distribution and trading	Elimination	Consolidated
30.06.2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	-	23,568	95,571	143,357		262,496
Inter-segment sales	34,129	21,878	818	4,703	(61,528)	-
Total revenue	34,129	45,446	96,389	148,060	(61,528)	262,496
Results						
Profit before tax	34,425	7,103	19,856	21,874	(33,110)	50,148
Tax expense						(12,077)
Profit after tax						38,071
Attributed to:-						
Owners of the parent						38,071
Non controlling interests						-
						38,071
Revenue						
External sales	-	16,404	75,343	136,222		227,969
Inter-segment sales	16,043	20,365	1,450	5,844	(43,702)	-
Total revenue	16,043	36,769	76,793	142,066	(43,702)	227,969
Results						
Profit before tax	15,991	5,363	15,222	22,866	(14,589)	44,853
Tax expense						(10,981)
Profit after tax						33,872
Attributed to:-						
Owners of the parent						33,872
Non controlling interests						-
						33,872

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 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 30.06.2023 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 30.06.2023 RM'000
NC Twenty Eight Glory Sdn Bhd - Supply of home linen products	<u>1,193</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 YEAR ENDED 30 JUNE 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 RM58.80 million, drop by RM10.58 million or 15.3% as compared with the previous year corresponding quarter revenue of RM69.38 million. Lower sales were generally due to slow retail sector that resulted in lower consignment and retail sales.

The Group's profit before tax drop by RM4.03 million or 26.6% to RM11.11 million from RM15.14 million in the previous year corresponding quarter was due to lower sales.

For the 12 months ended 30 June 2023, the Group recorded revenue of RM262.50 million, increase of RM34.53 million or 15.1% compared with the previous year corresponding period revenue of RM227.97 million. Higher sales were from export, consignment and retail attributed by higher sales promotion and its three (3) new Home's Harmony Boutique shops opened in Klang Valley in this financial year.

The Group profit before tax for the 12 months ended 30 June 2023 increased by RM5.30 million or 11.8% to RM50.15 million from previous year corresponding period of RM44.85 million. Higher profit was mainly due to higher sales and interest income.

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 RM11.03 million or 15.8% to RM58.80 million compared to RM69.83 million in the immediate preceding quarter ended 31 March 2023 was mainly due to Lunar New Year festive season and higher export sales.

The Group's current quarter profit before tax drop by RM4.33 million or 28.0% to RM11.11 million as compared to RM15.44 million in the immediate preceding quarter was due to lower sales.

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 2024 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:

	Quarter		Period	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Current taxation	2,284	2,998	10,895	9,646
Prior year taxation	-	(4)	(90)	102
Deferred taxation	342	744	1,272	1,233
	<u>2,626</u>	<u>3,738</u>	<u>12,077</u>	<u>10,981</u>

The tax expense for the Group reflects an effective tax rate of approximately 24.1%, which is slightly 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 30 June 2023 are as follows:

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total RM'000
Secured			
Bankers' acceptances	2,546	-	2,546

10. Derivative Financial Instruments

As at 30 June 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 proposed a final dividend of 4.0 sen per ordinary share comprising of 4.0 sen per ordinary share single-tier tax exempt dividend amounting to RM6,346,108.00 in respect of the financial year ended 30 June 2023. 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 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 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022	Current Year-To-Date 30.06.2023	Preceding Year Corresponding Period 30.06.2022
Profit attributable to owners of the parent (RM'000)	8,485	11,400	38,071	33,872
Total number of weighted average ordinary shares in issue ('000)	158,653	158,653	158,653	158,653
Basic earnings per share (sen)	5.35	7.19	24.00	21.35

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 YEAR ENDED 30 JUNE 2023

14. Profit Before Tax

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

	Current Year Quarter 30.06.2023 RM'000	Corresponding Quarter 30.06.2022 RM'000	Current Year-To-Date 30.06.2023 RM'000	Corresponding Period 30.06.2022 RM'000
After charging :				
Interest expense	148	144	684	470
Depreciation and amortisation	880	945	3,573	3,687
Depreciation of right-of-use assets	1,448	1,417	5,709	5,040
Realised foreign exchange loss	-	-	-	-
Impairment loss on receivables	122	1,213	-	1
After crediting :				
Interest income	(1,135)	(567)	(3,866)	(1,679)
Gain on disposal of assets	-	(3)	(4)	(3)
Write-back for slow moving stock	(428)	(2,828)	(2,097)	(3,070)
Write-back of impairment loss on trade receivable	-		(1,767)	(1,031)
Realised foreign exchange gain	(169)	(151)	(392)	(258)
Unrealised foreign exchange gain	(493)	(162)	(532)	(249)

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 24 August 2023.