

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Revenue	66,447	71,999	124,438	133,867
Operating expenses	(56,255)	(59,939)	(107,902)	(112,045)
Other operating income	1,931	1,084	3,759	2,105
Operating profit	12,123	13,144	20,295	23,927
Finance costs	(146)	(213)	(277)	(333)
Profit before taxation	11,977	12,931	20,018	23,594
Tax expense	(2,886)	(3,118)	(4,906)	(5,907)
Profit after taxation	9,091	9,813	15,112	17,687
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	9,091	9,813	15,112	17,687
Profit after taxation attributable to:				
Owners of the parent	9,091	9,813	15,112	17,687
Non-controlling interests	-	-	-	-
	9,091	9,813	15,112	17,687
Total comprehensive income attributable to:				
Owners of the parent	9,091	9,813	15,112	17,687
Non-controlling interests	-	-	-	-
	9,091	9,813	15,112	17,687
Earnings per share attributable to owners of the parent :				
- Basic (sen)	5.73	6.19	9.53	11.15
- 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 2023 and the accompanying explanatory notes attached to this interim financial statements.

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

	Unaudited As At 31.12.2023 RM'000	Audited As At 30.06.2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	54,469	54,563
Right-of-use assets	11,992	7,578
Deferred tax assets	1,888	1,664
Total non-current assets	68,349	63,805
CURRENT ASSETS		
Inventories	85,907	94,997
Trade and other receivables	42,164	39,343
Tax assets	151	598
Short term investment	45,440	77,015
Deposits, cash and bank balances	110,187	59,943
Total current assets	283,849	271,896
TOTAL ASSETS	352,198	335,701
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Treasury shares	(823)	(823)
Reserves	234,577	225,811
Total Equity	313,754	304,988
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,919	1,910
Provision	419	398
Lease liabilities	5,081	3,004
Total non-current liabilities	7,419	5,312
CURRENT LIABILITIES		
Trade and other payables	18,790	15,166
Tax liabilities	3,548	2,950
Lease liabilities	7,135	4,739
Bank borrowings	1,552	2,546
Total current liabilities	31,025	25,401
TOTAL LIABILITIES	38,444	30,713
TOTAL EQUITY AND LIABILITIES	352,198	335,701
 NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE PARENT (RM)	 1.98	 1.92

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			Sub-Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Share RM'000	Retained Profits RM'000			
<u>6 months ended 31 December 2023</u>						
As at 1 July 2023	80,000	(823)	225,811	304,988	-	304,988
Profit after taxation / Total comprehensive income for the period	-	-	15,112	15,112	-	15,112
Dividends paid	-	-	(6,346)	(6,346)	-	(6,346)
As at 31.12.2023	80,000	(823)	234,577	313,754	-	313,754
<u>6 months ended 31 December 2022</u>						
As at 1 July 2022	80,000	(823)	198,052	277,229	-	277,229
Profit after taxation / Total comprehensive income for the period	-	-	17,687	17,687	-	17,687
Dividends paid	-	-	(4,760)	(4,760)	-	(4,760)
As at 31.12.2022	80,000	(823)	210,979	290,156	-	290,156

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 2023 and the accompanying explanatory notes attached to this interim financial report.

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

	Current Year-To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Cash flows from operating activities		
Profit before taxation	20,018	23,594
Adjustments for:		
Interest income	(2,508)	(1,723)
Interest expense	277	333
Depreciation of property, plant and equipment	1,741	1,794
Depreciation of right-of-use assets	3,502	2,767
Impairment/(Write-back) loss for slow moving stock	590	(848)
Write-back of Impairment loss on trade receivables	(175)	(497)
Unrealised foreign exchange gain	94	214
Non-cash items	(27)	30
Operating profit before changes in working capital	23,512	25,664
Changes in working capital		
Inventories	8,500	(27,763)
Trade and other receivables	(654)	(3,746)
Trade and other payables	4,068	985
Cash from/(for) operations	35,426	(4,860)
Net tax paid	(4,076)	(2,854)
Interest paid	(56)	(125)
Net cash from/(for) operating activities	31,294	(7,839)
Cash flows from/(for) investing activities		
Interest received	2,508	1,723
Proceed of disposal property, plant and equipment	22	4
Purchase of property, plant and equipment	(1,624)	(982)
Downpayment for acquisition a subsidiary	(3,765)	-
Net cash (for)/from investing activities	(2,859)	745
Cash flows for financing activities		
Drawdown of bankers acceptance	(994)	7,293
Repayment of term loan	-	(417)
Payment of lease obligations	(3,661)	(2,936)
Dividends paid	(5,553)	(4,760)
Net cash for financing activities	(10,208)	(820)
Net increase/(decrease) in cash and cash equivalents	18,227	(7,914)
Cash and cash equivalents at beginning of period	136,958	133,617
Effect of foreign exchange rate changes	442	-
Cash and cash equivalents at end of period	155,627	125,703
Cash and cash equivalents comprise the following:		
Cash and bank balances	54,312	15,644
Short term investments	45,440	44,001
Deposits with licensed banks	55,875	66,058
Cash and cash equivalents	155,627	125,703

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 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 2023 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 2023.

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 2023.

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 2023 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 DECEMBER 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 3.5 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.

The approved 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 in respect of the financial year ending 30 June 2023, was paid on 18th January 2024 to Depositors whose names were registered in the Record of Depositors on 21st December 2023.

The total dividend declared and paid for the financial year ended 30 June 2023 was 7.5 sen per ordinary share.

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 2023.

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 DECEMBER 2023

10. Segmental Reporting

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

Period Ended 31.12.2023	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	-	10,681	47,233	66,524		124,438
Inter-segment sales	598	10,660	525	1,670	(13,453)	-
Total revenue	598	21,341	47,758	68,194	(13,453)	124,438
Results						
Profit before tax	1,797	2,408	9,145	6,773	(105)	20,018
Tax expense						(4,906)
Profit after tax						15,112
Attributed to:-						
Owners of the parent						15,112
Non controlling interests						-
						15,112

Period Ended 31.12.2022	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	-	11,577	49,225	73,065		133,867
Inter-segment sales	15,565	11,619	468	3,436	(31,088)	-
Total revenue	15,565	23,196	49,693	76,501	(31,088)	133,867
Results						
Profit before tax	15,576	2,773	10,393	10,497	(15,645)	23,594
Tax expense						(5,907)
Profit after tax						17,687
Attributed to:-						
Owners of the parent						17,687
Non controlling interests						-
						17,687

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

11. Changes in Composition of the Group

Pursuant to Part B item 8(a) of this Report, T.C. Homeplus Pte Ltd. (TC Homeplus) became a 60.0%-owned subsidiary company of Yoong Onn Corporation Berhad while the remaining 40.0% equity interests in TC Homeplus are collectively held by the Vendors.

Other than the above, there were no changes in the composition of the Group for the 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 2023:

	As at 31.12.2023 RM'000	As at 30.06.2023 RM'000
Bank guarantees	<u>635</u>	<u>615</u>

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13. Related Party Transactions

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

	As at 31.12.2023 RM'000
NC Twenty Eight Glory Sdn Bhd - Supply of home linen products	<u>307</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 DECEMBER 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 RM66.45 million, drop of RM5.55 million or 7.7% as compared with the previous year corresponding quarter revenue of RM72.00 million. Lower sales from consignment and retail were attributed by weaker retail market sentiment.

The Group's profit before tax drop by RM0.95 million or 7.3% to RM11.98 million from RM12.93 million in the previous year corresponding quarter was due to lower sales.

For the 6 months ended 31 December 2023, the Group recorded revenue of RM124.44 million, drop of RM9.43 million or 7.0% compared with the previous year corresponding period revenue of RM133.87 million. Lower sales from consignment and retail were due to weaker retail market sentiment.

The Group profit before tax for the 6 months ended 31 December 2023 drop by RM3.57 million or 15.1% to RM20.02 million from previous year corresponding period of RM23.59 million. Lower profit was mainly due to lower sales and higher operating expenses.

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 RM8.46 million or 14.6% to RM66.45 million compared to RM57.99 million in the immediate preceding quarter ended 30 September 2023. Higher sales were due to year-end festive season and promotional sales.

The Group's current quarter profit before tax increased by RM3.94 million or 49.0% to RM11.98 million as compared to RM8.04 million in the immediate preceding quarter was due to higher 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

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
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current taxation	3,011	3,174	5,121	5,726
Deferred taxation	(125)	(56)	(215)	181
	<u>2,886</u>	<u>3,118</u>	<u>4,906</u>	<u>5,907</u>

The tax expense for the Group reflects an effective tax rate of approximately 24.5%, 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

Save as disclosed below, there were no other corporate proposals announced as at the date of this Report.

On 2 November 2023, Yoong Onn Corporation Berhad entered into a conditional share sale agreement ("Conditional SSA") to acquire 60.0% equity interest in Singapore-based T.C. Homeplus Pte Ltd for a total purchase consideration of SGD10,949,985.60 (equivalent to approximately RM38,157,743) to be satisfied entirely via cash (Proposed Acquisition). TC Homeplus is principally involved in the business of trading, distributing, and retailing home furnishings like curtains, floor coverings and bed linen products.

The Proposed Acquisition was completed on 12 January 2024 following all conditions precedent pursuant to the Conditional SSA have been fulfilled, and that the payment for the Purchase Consideration has been effected and fully settled.

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9. Group Borrowings and Debt Securities

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

	Short Term Borrowings RM'000
Secured	
Bankers' acceptances	1,552

10. Derivative Financial Instruments

As at 31 December 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 does not recommend any interim dividend for the current quarter under review.

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 31.12.2023	Preceding Year Corresponding Quarter 31.12.2022	Current Year-To-Date 31.12.2023	Preceding Year Corresponding Period 31.12.2022
Profit attributable to owners of the parent (RM'000)	9,091	9,813	15,112	17,687
Total number of weighted average ordinary shares in issue ('000)	158,653	158,653	158,653	158,653
Basic earnings per share (sen)	5.73	6.19	9.53	11.15

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 DECEMBER 2023

14. Profit Before Tax

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

	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
After charging :				
Interest expense	146	213	277	333
Depreciation and amortisation	880	866	1,741	1,794
Depreciation of right-of-use assets	1,850	1,587	3,502	2,767
Impairment loss for slow moving stock	344	-	590	-
Allowance of impairment loss on trade receivable	-	37	-	-
Unrealised foreign exchange loss	-	246	94	214
After crediting :				
Interest income	(1,341)	(908)	(2,508)	(1,723)
Gain on disposal of assets	(10)	(1)	(22)	(4)
Write-back of Impairment loss for slow moving stock	-	(644)	-	(848)
Write-back of impairment loss on trade receivable	(36)	-	(175)	(497)
Realised foreign exchange gain	(97)	(173)	(532)	(333)
Unrealised foreign exchange gain	(125)	-	-	-

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 27th February 2024.