



INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT  
FOR THE 2<sup>nd</sup> QUARTER ENDED 30 JUNE 2021

20 AUGUST 2021

INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> QUARTER ENDED 30 JUNE 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Quarter ended		6 months ended	
		30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
<b>Revenue</b>		27,913	31,419	65,914	68,802
<b>Operating expenses</b>					
Changes in inventories		(9,807)	(9,848)	(22,264)	(21,620)
Rental expenses		(188)	163	(688)	(533)
Employee related expenses		(7,373)	(8,032)	(15,777)	(18,270)
Distribution expenses		(767)	(1,022)	(1,469)	(1,717)
Advertising and promotion expenses		(749)	(723)	(1,696)	(1,911)
Depreciation and amortisation expenses		(5,079)	(5,459)	(10,014)	(10,287)
Other operating expenses		(2,059)	(1,932)	(4,462)	(4,675)
<b>Total operating expenses</b>		(26,022)	(26,853)	(56,370)	(59,013)
<b>Profit from operations</b>		1,891	4,566	9,544	9,789
Other (expenses)/income		(11)	246	(440)	439
Finance income		397	290	655	457
Finance costs		(322)	(546)	(721)	(981)
Listing-related expenses		-	(14)	-	(995)
<b>Profit before tax</b>	20	1,955	4,542	9,038	8,709
Tax expenses	21	(513)	(1,410)	(2,499)	(2,827)
<b>Profit for the period</b>		1,442	3,132	6,539	5,882
<b>Other comprehensive income, net of tax</b>					
<u>Item that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences for foreign operation		(41)	153	767	702
<b>Total comprehensive income for the period</b>		1,401	3,285	7,306	6,584

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

	Note	Quarter ended		6 months ended	
		30.6.2021	30.6.2020	30.6.2021	30.6.2020
		RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>					
Owners of the Company		1,442	3,132	6,539	5,882
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		1,401	3,285	7,306	6,584
<b>Earnings per share attributable to Owners of the Company</b>					
Basic (sen)	22	0.20	0.44	0.93	0.86
<b>Other selected financial data:</b>					
Gross profit <sup>(1)</sup>		18,106	21,571	43,650	47,182
Core profit after tax ("PAT") <sup>(2)</sup>		1,442	3,146	6,539	6,877
Operating profit margin		6.8%	14.5%	14.5%	14.2%
Gross profit margin		64.9%	68.7%	66.2%	68.6%
Core PBT margin		7.0%	14.5%	13.7%	14.1%
Core PAT margin		5.2%	10.0%	9.9%	10.0%

<sup>(1)</sup> computed based on revenue less changes in inventories (cost of goods sold).

<sup>(2)</sup> core profit excludes listing-related expenses.

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	30.6.2021 RM'000	31.12.2020 RM'000
<b>Assets</b>			
Plant and equipment		11,319	12,896
Right-of-use assets		17,485	21,830
Intangible assets		52,704	52,651
Deferred tax assets		788	953
Receivables and deposits		6,356	6,345
<b>Total non-current assets</b>		<b>88,652</b>	<b>94,675</b>
Inventories		24,487	34,415
Receivables, deposits and prepayments		5,021	5,643
Current tax assets		9	9
Other investments	23	45,704	29,528
Cash and cash equivalents		6,106	23,967
<b>Total current assets</b>		<b>81,327</b>	<b>93,562</b>
<b>Total assets</b>		<b>169,979</b>	<b>188,237</b>
<b>Liabilities</b>			
Provision for restoration costs		1,967	2,018
Loans and borrowings	24	108	186
Lease liabilities		7,375	10,204
<b>Total non-current liabilities</b>		<b>9,450</b>	<b>12,408</b>
Provision for restoration costs		342	313
Loans and borrowings	24	156	153
Lease liabilities		10,580	12,447
Contract liabilities		989	1,000
Payables and accruals		12,538	14,426
Dividend payable		-	7,059
Current tax liabilities		530	1,755
<b>Total current liabilities</b>		<b>25,135</b>	<b>37,153</b>
<b>Total liabilities</b>		<b>34,585</b>	<b>49,561</b>
<b>Net assets</b>		<b>135,394</b>	<b>138,676</b>

[WWL1][CYC2]

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	30.6.2021 RM'000	31.12.2020 RM'000
<b>Equity</b>			
Share capital		50,326	50,326
Reserves		85,068	88,350
<b>Total equity</b>		<u>135,394</u>	<u>138,676</u>

**Other selected financial data:**

Net current assets / working capital		56,193	56,409
Net assets per share (sen)		19.18	19.65
Net gearing ratio (times) *		(0.38)	(0.38)

\* computed based on net borrowings (total bank borrowings less cash and cash equivalents and other investments) divided by total equity. Negative net gearing ratio denotes a net cash position.

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	←	Non-distributable	→	Distributable	
Note	Share	Business	Translation	Retained	Total
	capital	combination	reserve	earnings	equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	4,388	4,636	73	78,243	87,340
Profit for the period	-	-	-	5,882	5,882
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	702	-	702
Total comprehensive income for the period	-	-	702	5,882	6,584
Issuance of shares	47,407	-	-	-	47,407
Share issuance expenses	(1,469)	-	-	-	(1,469)
Dividend declared	-	-	-	(7,059)	(7,059)
Total transaction with owners	45,938	-	-	(7,059)	38,879
<b>At 30 June 2020</b>	50,326	4,636	775	77,066	132,803
<b>At 1 January 2021</b>	50,326	4,636	(594)	84,308	138,676
Profit for the period	-	-	-	6,539	6,539
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	767	-	767
Total comprehensive income for the period	-	-	767	6,539	7,306
Dividend declared, representing total transaction with owners	-	-	-	(10,588)	(10,588)
<b>At 30 June 2021</b>	50,326	4,636	173	80,259	135,394

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	6 months ended	
		30.6.2021 RM'000	30.6.2020 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax		9,038	8,709
Adjustments for:			
Changes in lease payments arising from rent concessions		(1,566)	(1,550)
Depreciation and amortisation expenses		10,014	10,287
Unrealised foreign exchange gain		(29)	(146)
Plant and equipment written off		71	172
Fair value loss on other investments		224	86
Finance income		(655)	(457)
Finance costs		721	981
Listing-related expenses		-	995
<b>Operating profit before changes in working capital</b>		<b>17,818</b>	<b>19,077</b>
Changes in working capital:			
Inventories		10,174	(8,033)
Receivables, deposits and prepayments		801	742
Payables, accruals and contract liabilities		(9,188)	(1,084)
Provision for restoration costs		(41)	(28)
<b>Cash generated from operations</b>		<b>19,562</b>	<b>10,674</b>
Income tax paid		(3,560)	(2,867)
<b>Net cash generated from operating activities</b>		<b>16,002</b>	<b>7,807</b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(791)	(2,338)
Acquisition of intangible assets		(176)	(1,822)
Placement of other investments		(16,173)	(27,000)
Interest received		596	440
<b>Net cash used in investing activities</b>		<b>(16,544)</b>	<b>(30,720)</b>

[WWL3][CYC4][WWL5]

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	6 months ended	
		30.6.2021 RM'000	30.6.2020 RM'000
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		-	47,407
Listing-related expenses		-	(1,695)
Dividends paid	8	(10,588)	(7,059)
Repayment of revolving credit		-	(16,000)
Repayment of hire purchase		(75)	(199)
Repayment of lease liabilities		(6,166)	(6,388)
Interest paid for lease liabilities		(755)	(899)
Interest paid for loans and borrowings		(6)	(82)
<b>Net cash (used in)/generated from financing activities</b>		<u>(17,590)</u>	<u>15,085</u>
<b>Net decrease in cash and cash equivalents</b>			
Effect of exchange rate fluctuations on cash held		271	195
Cash and cash equivalents at beginning of the period		<u>23,967</u>	<u>17,445</u>
<b>Cash and cash equivalents at end of the period</b>		<u>6,106</u>	<u>9,812</u>
<b>Cash and cash equivalents comprise the following:</b>			
Cash and bank balances		5,167	8,879
Deposits placed with licensed banks		939	933
		<u>6,106</u>	<u>9,812</u>

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.



## INNATURE BERHAD

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### INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> QUARTER ENDED 30 JUNE 2021

#### 1. BASIS OF PREPARATION

The interim financial statements (“Interim Financial Report”) of InNature Berhad (“InNature” or the “Company”) and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) 134: *Interim Financial Reporting* issued by International Accounting Standards Board (“IASB”), and Paragraph 9.22 of Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The Interim Financial Report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes in this Interim Financial Report.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the Interim Financial Report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new and amended MFRS and Issues Committee (“IC”) Interpretations which are relevant to the Group during the current financial period. The adoption of the new and amended MFRS and IC Interpretations did not have a material effect on the financial performance or position of the Group.

#### 3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report of the Group’s consolidated financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

#### 4. SEASONAL AND CYCLICAL FACTORS

Being in the retail industry, the Group’s operations are subject to peaks and troughs in revenue generation throughout the year. Generally, the Group records higher sales during major festive and school holiday seasons in the respective country of which the Group operates.

#### 5. UNUSUAL ITEMS

Apart from the Covid-19 pandemic as discussed in Note 17 and 18, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

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6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of current financial period.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period.

8. DIVIDENDS

The following dividends were recognised by the Company during the respective financial period:

	<b>RM per share RM</b>	<b>Total amount RM'000</b>	<b>Date of payment</b>
<b>Company</b>			
<b>6 months ended 30 June 2021</b>			
In respect of the financial year ended 31 December 2020:			
- Second interim single-tier dividend	0.01	7,059	15 June 2021
In respect of the financial year ending 31 December 2021:			
- First interim single-tier dividend	0.005	<u>3,529</u>	15 June 2021
		<u>10,588</u>	
<b>6 months ended 30 June 2020</b>			
In respect of the financial year ended 31 December 2019:			
- Special single-tier dividend	0.01	<u>7,059</u>	30 April 2020

The Company did not declare any dividend subsequent to 30 June 2021 and up to the date of this Interim Financial Report

9. CHANGES IN COMPOSITION OF THE GROUP

There was no change to the composition of the Group during the current financial period.

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10. CONTINGENT LIABILITIES

	30.6.2021	31.12.2020
	RM'000	RM'000
<b>Company</b>		
Corporate guarantees granted to a subsidiary for credit facilities	1,000	1,000
Bank guarantees granted to subsidiaries for tenancy agreements	495	862
	<u>1,495</u>	<u>1,862</u>

11. CAPITAL COMMITMENTS

	30.6.2021	31.12.2020
	RM'000	RM'000
<b>Group</b>		
<b>Plant and equipment</b>		
Approved but not contracted for	26,949	28,337
Contracted but not commenced	348	227
	<u>27,297</u>	<u>28,564</u>
<b>Leases as a leasee</b>		
Contracted but not commenced	<u>2,480</u>	<u>2,485</u>

12. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
<i>Entities in which certain Directors of the Company have interests</i>				
Rental of event space <sup>(1)</sup>	-	-	-	35
Rental of office and retail outlets <sup>(2)</sup>	107	91	237	210
	<u>107</u>	<u>91</u>	<u>237</u>	<u>245</u>

<sup>(1)</sup> The Company rented the event space from an entity in which certain Directors of the Company have interests, for the launch event of its IPO Prospectus on 29 January 2020. The transaction was entered into in the normal course of business under normal trade terms.

<sup>(2)</sup> The Group rented office and several retail outlets in Malaysia from an entity in which certain Directors of the Company have interests. The transaction was entered into in the normal course of business under normal trade terms.

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13. STATUS OF CORPORATE PROPOSAL

There is no corporate proposal announced but not completed as at the date of this Interim Financial Report.

14. UTILISATION OF PROCEEDS FROM IPO

The utilisation of proceeds from IPO as at 30 June 2021 is as follows:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation up to 30 June 2021 RM'000	Transfer RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation from the date of Listing
(i) Capital expenditure	34,500	(7,203)	-	27,297	Within 48 months
(ii) Working capital	837	(889)	351	299	Within 36 months
(iii) New business development	5,700	(2,756)	-	2,944	Within 48 months
(iv) Listing-related expenses	6,370	(6,019)	(351)	-	Within 3 months
<b>Total</b>	<b>47,407</b>	<b>(16,867)</b>	<b>-</b>	<b>30,540</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the IPO Prospectus dated 29 January 2020, and the Company's announcement on 18 February 2020.

The unutilised balance of RM351,000 allocated for listing-related expenses had been transferred to working capital during the financial period.

15. MATERIAL LITIGATION

There is no material litigation involving the Group subsequent to 31 December 2020 and up to the date of this Interim Financial Report.

16. SEGMENT INFORMATION

The Group does not have reportable segments as the principal activities of entities within the Group are essentially relate to the marketing of The Body Shop ("TBS") and Natura products. Segment information of the Group is presented on the basis of geographical segments, based on the geographical location of customers, assets and liabilities.

Please refer to Note 17 on the Group's segment financial results and segment financial position.

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17. PERFORMANCE REVIEW

**Quarter-on-Quarter Review**

	Quarter ended	
	30.6.2021	31.3.2021
	RM'000	RM'000
<b>Group</b>		
Revenue	27,913	38,001
Profit after tax	1,442	5,097

Compared with the preceding quarter ended 31 March 2021 (“1Q2021”), the Group recorded lesser revenue and PAT by 26.5% and 71.7% respectively in 2Q2021. The lower quarterly result was largely due to Covid-19 headwinds impacting the Group’s operations, where lockdown measures in each country has caused significant decline in footfall during the reporting quarter.

**Year-on-Year Review**

2Q2021 vs 2Q2020

	2Q2021				2Q2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
<b>Revenue from external customers</b>								
The Body Shop	20,546	6,179	720	27,445	23,437	6,920	729	31,086
Natura	468	-	-	468	333	-	-	333
	<u>21,014</u>	<u>6,179</u>	<u>720</u>	<u>27,913</u>	<u>23,770</u>	<u>6,920</u>	<u>729</u>	<u>31,419</u>
<b>Segment PAT</b>								
The Body Shop	1,817	57	45	1,919	2,942	657	127	3,726
Natura	(564)	-	-	(564)	(543)	-	-	(543)
	<u>1,253</u>	<u>57</u>	<u>45</u>	<u>1,355</u>	<u>2,399</u>	<u>657</u>	<u>127</u>	<u>3,183</u>
Investment holding				87				(37)
<b>Core PAT</b>				<u>1,442</u>				<u>3,146</u>
Listing-related expenses				-				(14)
<b>Reported PAT</b>				<u>1,442</u>				<u>3,132</u>

The Group encountered heightened Covid-19 headwinds across all our operating countries during 2Q2021, where the spike in positive cases and the various degrees of lockdown measures have led to the decline in footfall to our stores. Overall, group revenue contracted 11.2% year-on-year, with Malaysia, Vietnam and Cambodia recording lesser sales by 11.6%, 10.7% and 1.2% respectively in 2Q2021.

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Despite the ravaging pandemic, we continue to reach out to our customers through various remote selling channels such as e-commerce, conversational commerce and social selling. Our remote selling channels cushioned the impact of store closure, having contributed 30.9% to the group revenue in 2Q2021 (2Q2020: 20.1%). Revenue contribution for each of the remote selling channel was 16.5% for e-commerce and 13.3% for conversational commerce.

The Group remained profitable in all its operating countries for 2Q2021. We exercise vigilance in managing the business, eradicating all non-essential expenses while investing in all the necessary business drivers. We pursue support from landlords and suppliers during this challenging period, monitor our inventory level, and constantly evaluate the performance of each of our stores. During the reporting quarter, we exited two underperforming locations in Malaysia, bringing total store count of the Group to 122 as at 30 June 2021 (31 March 2021: 124).

6M2021 vs 6M2020

	6M2021				6M2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
<b>Revenue from external customers</b>								
The Body Shop	48,701	14,574	1,635	64,910	52,504	14,291	1,387	68,182
Natura	1,004	-	-	1,004	620	-	-	620
	<u>49,705</u>	<u>14,574</u>	<u>1,635</u>	<u>65,914</u>	<u>53,124</u>	<u>14,291</u>	<u>1,387</u>	<u>68,802</u>
<b>Segment PAT</b>								
The Body Shop	6,698	990	172	7,860	6,494	1,527	188	8,209
Natura	(1,210)	-	-	(1,210)	(1,301)	-	-	(1,301)
	<u>5,488</u>	<u>990</u>	<u>172</u>	<u>6,650</u>	<u>5,193</u>	<u>1,527</u>	<u>188</u>	<u>6,908</u>
Investment holding				(111)				(31)
<b>Core PAT</b>				<u>6,539</u>				<u>6,877</u>
Listing-related expenses				-				(995)
<b>Reported PAT</b>				<u>6,539</u>				<u>5,882</u>

Group revenue declined 4.2% for 6M2021 as a result of Covid-19 impact. While Malaysia recorded lesser revenue by 6.4%, both Vietnam and Cambodia saw higher revenue year-on-year owing primarily to the milder Covid-19 situation in 1Q2021. On the other hand, Vietnam's revenue contribution to the Group continues to advance, having registered 22.1% in 6M2021 as compared to 20.8% for the same period last year.

Tracking the trend in 2Q2021, our remote selling channels raked in higher revenue contribution to the Group at 25.8% for 6M2021 (6M2020: 11.6%). Revenue contribution for each of the remote selling channel was 11.9% for e-commerce and 13.0% for conversational commerce.

For 6M2021, the Group recorded higher PAT by 11.2% due to absence of listing-related expenses. Each operating country of the Group remained profitable during the first half of the current financial year.

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*Healthy Balance Sheet and Cash Flow*

	30.6.2021				31.12.2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
<b>Segment assets</b>								
The Body Shop	105,469	32,568	5,136	143,174	116,055	30,830	5,037	151,922
Natura	4,812	-	-	4,812	6,089	-	-	6,089
	<u>110,281</u>	<u>32,568</u>	<u>5,136</u>	<u>147,986</u>	<u>122,144</u>	<u>30,830</u>	<u>5,037</u>	<u>158,011</u>
Investment holding				21,993				30,226
<b>Reported total assets</b>				<u>169,979</u>				<u>188,237</u>
<b>Segment liabilities</b>								
The Body Shop	21,380	10,803	730	32,913	28,245	10,725	920	39,890
Natura	1,527	-	-	1,527	2,496	-	-	2,496
	<u>22,907</u>	<u>10,803</u>	<u>730</u>	<u>34,440</u>	<u>30,741</u>	<u>10,725</u>	<u>920</u>	<u>42,386</u>
Investment holding				145				116
Dividend payable				-				7,059
<b>Reported total liabilities</b>				<u>34,585</u>				<u>49,561</u>

The Group's financial position remained solid with total equity of RM135.4 million as at 30 June 2021. During 6M2021, the Group generated net cash from operating activities of RM16.0 million, and continued to maintain a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM51.8 million as at 30 June 2021 despite distribution of RM10.6 million dividend to shareholders.

## 18. PROSPECTS

While near-term prospect will inevitably be impacted by the lockdown measures, we are encouraged by the acceleration of vaccination in Malaysia. We aim for 100% vaccination of all our staff as soon as possible. Barring worsening macro circumstances, we expect to remain profitable for FY2021.

We will continue to innovate in improving our digital and omnichannel operations, and to stay vigilant in managing our business. We have shown resilience in FY2020, and we are confident in our capacity to remain so in FY2021. Our Brands continue to be strong and relevant, our Teams are intact and committed, and our business model is proven resilient.

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19. PROFIT FORECAST OF PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in any form of public documentation and/or announcement.

20. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following income/(expenses):

	Quarter ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Revenue				
- Retailing	27,901	31,400	65,881	68,761
- Consultancy fees	12	19	33	41
	27,913	31,419	65,914	68,802
(Loss)/gain on foreign exchange				
- realised	(143)	263	(247)	348
- unrealised	60	45	29	146
	(82)	308	(217)	494
Rental income	-	6	-	15
Rental expenses				
- before MFRS 16 adjustments	(4,364)	(4,341)	(9,175)	(9,371)
- less: minimum lease payments (MFRS 16 adjustments)	4,176	4,504	8,487	8,838
	(188)	163	(688)	(533)
Depreciation and amortisation				
- plant and equipment	(1,185)	(1,272)	(2,447)	(2,577)
- intangible assets	(75)	(77)	(151)	(153)
- right-of-use assets (MFRS 16 adjustments)	(3,818)	(4,110)	(7,416)	(7,557)
	(5,078)	(5,459)	(10,014)	(10,287)
Royalty expense	(255)	(348)	(635)	(734)



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20. PROFIT BEFORE TAX (CONT'D)

	Quarter ended		12 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Finance income				
- interest income on				
- bank balances and fixed deposits	142	79	257	152
- fixed income funds	254	211	397	305
	397	290	655	457
Finance costs				
- interest expenses on				
- hire purchase	(3)	(2)	(6)	(7)
- revolving credit	-	-	-	(75)
- lease liabilities (MFRS 16 adjustments)	(319)	(544)	(715)	(899)
	(322)	(546)	(721)	(981)

Save as disclosed above and elsewhere in this Interim Financial Report, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

21. TAX EXPENSES

	Quarter ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Tax expenses				
- arising from Malaysia	582	1,224	2,318	2,436
- arising outside Malaysia	(69)	186	181	391
	513	1,410	2,499	2,827
<b>Effective tax rate (%)</b>	26.2%	31.0%	27.7%	32.5%

Effective tax rate ("ETR") is computed by dividing tax expenses with profit before tax for the financial period.

The Group's ETR was higher than Malaysia's statutory tax rate of 24% due to non-deductible expenses, also we have yet to recognise deferred tax benefit arising from the losses of our new business.

ETR was lower year-on-year, mainly the absence of non-deductible listing-related expenses during the current financial period.

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22. EARNINGS PER SHARE (“EPS”)

	Quarter ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	1,442	3,132	6,539	5,882
Weighted average number of ordinary shares in issue	705,881	705,881	705,881	685,531
<b>Basic EPS (sen)</b>	<b>0.20</b>	<b>0.44</b>	<b>0.93</b>	<b>0.86</b>

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects as at 30 June 2020 and 30 June 2021.

23. OTHER INVESTMENT

	30.6.2021	31.12.2020
	RM'000	RM'000
<b>Group</b>		
Fixed deposits of more than 3 months but less than 12 months	8,691	4,743
Fixed income funds	37,013	24,785
	<u>45,704</u>	<u>29,528</u>

24. LOANS AND BORROWINGS

	30.6.2021	31.12.2020
	RM'000	RM'000
<b>Group</b>		
<b>Non-current</b>		
RM denominated hire purchase (unsecured)	108	186
<b>Current</b>		
RM denominated hire purchase (unsecured)	156	153
<b>Total loans and borrowings</b>	<u>264</u>	<u>339</u>

25. SUBSEQUENT EVENT

Other than the ongoing Covid-19 pandemic, there is no material event impacting the Group subsequent to 30 June 2021 and up to the date of this Interim Financial Report. Please refer to Note 17 and 18 for the narratives on the pandemic.