

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 30 SEPTEMBER 2020
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of investment property that is stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2020 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial period beginning 1 July 2020:

Effective for financial periods beginning on

Amendments/Improvements to MFRS

<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definitions of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

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3. Segmental Information

Segment analysis for the financial period ended 30 September 2020 is set out below:

	Investment Holding RM'000	Apparels and Footwear RM'000	Management Service RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	-	314,651	34,611	-	-	349,262
Inter segment revenue	-	(3,941)	(34,601)	-	-	(38,542)
Total revenue	-	310,710	10	-	-	310,720
Interest income	476	1,292	264	1	(166)	1,867
Finance costs	(15)	(5,981)	(3,059)	-	3,212	(5,843)
Net finance income	461	(4,689)	(2,795)	1	3,046	(3,976)
Depreciation of property, plant and equipment	362	6,765	631	80	(59)	7,779
Depreciation of right-of-used assets	-	26,093	148	3	-	26,244
Amortisation of intangible assets	-	83	300	-	-	383
Segment profit/(loss) before tax	774	24,667	1,756	(240)	1,236	28,193
Income tax expense	(408)	(6,598)	(464)	(5)	1	(7,474)
Additions to non-current assets other than financial instruments and deferred tax assets	-	1,468	337	-	(1)	1,804
Segment assets	397,633	1,245,311	360,693	33,010	(635,863)	1,400,784
Segment liabilities	1,988	621,596	320,627	53	(328,519)	615,745

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4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2020, except for the Covid-19 pandemic and the implementation of Conditional Movement Control Order ("CMCO") from 5 May 2020 subsequently with Recovery Movement Control Order ("RMCO") from 10 June 2020 up to 31 December 2020. The Malaysian government has reinstated the CMCO throughout most of Peninsular Malaysia between 9 November and 6 December 2020. Under these new CMCO measures, all educational institutions, social and cultural activities will be required to cease but economic activities can continue to operate under the set standard operating procedures.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6. Comments about Seasonal or Cyclical Factors

The Group's operations are primarily in the retail sector, the incidence of major local festivals, school holidays, carnival sales and the rainy season will generally have an impact upon revenues and margins.

7. Dividends Paid

No dividend was paid during the financial period ended 30 September 2020.

8. Valuations of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation, amortisation and impairment loss, if any.

9. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

11. Capital Commitments

As at 30 September 2020, the Group does not have any material outstanding capital commitments.

12. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements except for the reinstatement of CMCO from 14 October 2020 in Kuala Lumpur, Selangor, Putrajaya, Labuan and Sabah and subsequently expanded to whole Peninsular Malaysia except for Kelantan Perlis and Pahang until 6 December 2020.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Table 1: Financial review for current quarter and financial year to date

	Individual Period (1 st Quarter)			Cumulative Period		
	Current Year Quarter 30 September 2020	Preceding Year Corresponding Quarter 30 September 2019	Changes	Current Year- to-date 30 September 2020	Preceding Year Corresponding Period 30 September 2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	310,720	338,040	-8.1%	310,720	338,040	-8.1%
Operating Profit	34,036	33,327	2.1%	34,036	33,327	2.1%
Profit Before Interest and Tax	34,036	33,327	2.1%	34,036	33,327	2.1%
Profit Before Tax	28,193	26,875	4.9%	28,193	26,875	4.9%
Profit After Tax	20,719	19,608	5.7%	20,719	19,608	5.7%
Profit attributable to: -Ordinary equity holders of the Parent	20,719	19,608	5.7%	20,719	19,608	5.7%

13. Performance Review

Revenue decreased by 8.1% (RM27.3 million) quarter on quarter mainly due to the adverse impact from Covid-19 pandemic outbreak.

Profit before tax had increased by 4.9% (RM1.3 million) when compared to the same quarter of last financial year. Despite the decline in revenue, the slight increase in profit before tax was mainly due to the cost control in staff cost and rental rebate received during the quarter.

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14. Comment on Material Change in the Profit Before Taxation for the Quarter reported on as compared with the Immediate Preceding Quarter

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30 September 2020	Immediate Preceding Quarter 30 June 2020	Changes
	RM'000	RM'000	%
Revenue	310,720	174,200	78.4%
Operating Profit/(Loss)	34,036	(11,313)	400.9%
Profit/(Loss) Before Interest and Tax	34,036	(11,313)	400.9%
Profit/(Loss) Before Tax	28,193	(18,846)	249.6%
Profit/(Loss) After Tax	20,719	(16,840)	223.0%
Profit/(Loss) attributable to: -Ordinary equity holders of Parent	20,719	(16,840)	223.0%

Revenue and Profit before tax for this quarter increased by approximately RM136.5 million (78.4%) and RM47.0 million (249.6%) respectively compared to the immediate preceding quarter. This was mainly due to lesser sales generated in the previous quarter. During current quarter under review, Recovery Movement Control Order implementation which started from 10 June 2020 contributed more business as compared to the lockdown period.

15. Commentary on Prospect

Retail business in general, is impacted by the outbreak of Covid-19 pandemic to varying degree, both in terms of sales as well as profitability. Management will continue implementing measures to control costs, optimizing working capital, preserving cash and streamlined its operations to minimize the impact. This financial year remains challenging and the outlook is still unpredictable as the full impact of the Covid-19 pandemic has not been ascertained pending the successful development of the vaccines.

16. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

17. Income Tax Expense

	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Current tax:				
Malaysian tax	8,446	8,761	8,446	8,761
Foreign tax	335	368	335	368
	<u>8,781</u>	<u>9,129</u>	<u>8,781</u>	<u>9,129</u>
Deferred tax	(1,307)	(1,862)	(1,307)	(1,862)
Total Income tax expense	<u><u>7,474</u></u>	<u><u>7,267</u></u>	<u><u>7,474</u></u>	<u><u>7,267</u></u>

The effective tax rate is at 27% mainly due to the higher non-deductible expenses.

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18. Sale of Unquoted Investments and Properties

There were no sale of Investments and/or properties announced during the quarter that remain uncompleted.

19. Quoted Securities

There were no quoted securities held by the group during the quarter under review.

20. Corporate Proposals

At the date of this report, there are no corporate proposals that remain uncompleted.

21. Borrowings

The Group borrowings as at 30 September 2020 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Short Term - Term Loans / Trade Finance	1,160	-	1,160
Short Term - Leasing & HP (Under lease liabilities)	265	-	265
Short Term Borrowing - Subtotal	1,425	-	1,425
Long Term - Bank	-	-	-
Long Term - Leasing & HP (Under lease liabilities)	586	-	586
Long Term Borrowing - Subtotal	586	-	586
Total Borrowings	2,011	-	2,011

The Group borrowings as at 30 September 2019 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Short Term - Term Loans / Trade Finance	1,792	-	1,792
Short Term - Leasing & HP (Under lease liabilities)	300	-	300
Short Term Borrowing - Subtotal	2,092	-	2,092
Long Term - Term Loans	1,160	-	1,160
Long Term - Leasing & HP (Under lease liabilities)	851	-	851
Long Term Borrowing - Subtotal	2,011	-	2,011
Total Borrowings	4,103	-	4,103

All debts, secured or otherwise, are also collateralised by corporate guarantees issued by the Company. All borrowings indicated above are denominated in Ringgit Malaysia and represented balances standing as at 30 September 2020 and 30 September 2019.

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22. Derivative Financial Instruments

As at the date of this report, the Group does not have any derivative financial instruments.

23. Changes in Material Litigation

As at the date of this report, the Group has no knowledge of any pending material litigation either against the Company or any of its subsidiaries.

24. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2020 was not qualified.

25. Dividend Payable

There will be no dividend for the current quarter.

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	Current Quarter		Cumulative Period	
	3 months ended		3 months ended	
	30-Sept-20	30-Sept-19	30-Sept-20	30-Sept-19
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	20,719	19,608	20,719	19,608
	3 months ended		3 months ended	
	30-Sept-20	30-Sept-19	30-Sept-20	30-Sept-19
Weighted average number of ordinary shares in issue ('000)	657,910	657,910	657,910	657,910
	3 months ended		3 months ended	
	30-Sept-20	30-Sept-19	30-Sept-20	30-Sept-19
Basic earnings per share for:				
Profit from continuing operations	3.15 sen	2.98 sen	3.15 sen	2.98 sen
Profit from discontinued operations	-	-	-	-
Profit for the period	<u>3.15 sen</u>	<u>2.98 sen</u>	<u>3.15 sen</u>	<u>2.98 sen</u>

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share.

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	3 months ended 30 September 2020 RM'000	3 months ended 30 September 2019 RM'000
The following items have been charged/(credited) in arriving profit from operations:		
Interest income	(1,867)	(2,931)
Net realised (gain) on foreign exchange	(27)	(72)
Net unrealised loss/(gain) on foreign exchange	1,800	(365)
Royalty income	(107)	(391)
Rental income	(46)	(45)
Depreciation and amortisation	34,406	35,097
Interest expense	20	102
Unwinding of discount on provision for restoration costs	153	156
Finance cost on leases	5,645	6,148
Inventory losses, inventories written down and inventories written off	1,946	1,374

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 November 2020.