

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 30 SEPTEMBER 2021
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 2021. 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 2021.

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 2021 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 2021:

Effective for financial periods beginning on

Amendments/Improvements to MFRS

<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021
Amendments to MFRS 10 and MFRS 128 <i>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 2021 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	-	85,704	24,955	-	-	110,659
Inter segment revenue	-	(4,320)	(24,955)	-	-	(29,275)
Total revenue	-	81,384	-	-	-	81,384
Interest income	354	1,580	120	1	(112)	1,943
Finance costs	-	(4,660)	(2,378)	-	2,481	(4,557)
Net finance income	354	(3,080)	(2,258)	1	2,369	(2,614)
Depreciation of property, plant and equipment	362	4,144	518	78	(59)	5,043
Depreciation of right-of-use assets	-	22,361	134	1	-	22,496
Amortisation of intangible assets	-	53	280	-	-	333
Segment profit/(loss) before tax	1,183	(25,798)	3,909	(215)	104	(20,817)
Income tax expense	(343)	5,290	(995)	-	1	3,953
Additions to non-current assets other than financial instruments and deferred tax assets	-	17	872	-	(1)	888
Segment assets	383,035	1,078,685	294,021	32,602	(545,467)	1,242,876
Segment liabilities	929	453,985	246,787	69	(243,539)	458,231

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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 2021, except for the Covid-19 pandemic and the implementation of Full Movement Control Order (“FMCO”) from 1 June 2021. All outlets were closed during FMCO period. Subsequently, on 15 August 2021, the Government announced the implementation of the National Recovery Plan (“NRP”) and more sector economic activities are allowed to be reopened in states with 50% of adult population which have been fully vaccinated. As a result of the NRP, majority of the outlets and consignment counters, which were closed during FMCO, were reopened from 18 August 2021 progressively.

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 2021.

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 2021, 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 Covid-19 pandemic and NRP phases. Most of the outlets have resumed business since 18 August 2021 with the Standard Operating Procedures (“SOP”).

The status of phases are as follows:-

NRP Status	Timeline	States
Phase 3	04/08/2021 to current 18/10/2021 to current	Sarawak Kelantan
Phase 4	24/09/2021 to current 18/10/2021 to current 25/10/2021 to current 08/11/2021 to current	Negeri Sembilan Putrajaya, Kuala Lumpur, Selangor, Melaka Terengganu and Johor Perlis, Kedah, Pulau Pinang, Kedah, Perak and Sabah

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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 (1st Quarter)			Cumulative Period		
	Current Year Quarter 30 September 2021	Preceding Year Corresponding Quarter 30 September 2020	Changes	Current Year Quarter 30 September 2021	Preceding Year Corresponding Quarter 30 September 2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	81,384	310,720	-73.8%	81,384	310,720	-73.8%
Operating (Loss)/Profit	(16,260)	34,036	-147.8%	(16,260)	34,036	-147.8%
(Loss)/Profit Before Interest and Tax	(16,260)	34,036	-147.8%	(16,260)	34,036	-147.8%
(Loss)/Profit Before Tax	(20,817)	28,193	-173.8%	(20,817)	28,193	-173.8%
(Loss)/Profit After Tax	(16,864)	20,719	-181.4%	(16,864)	20,719	-181.4%
(Loss)/Profit attributable to: -Ordinary equity holders of the Parent	(16,864)	20,719	-181.4%	(16,864)	20,719	-181.4%

13. Performance Review

Revenue and profit before tax had decreased by RM229.3million (-73.8%) and RM49.0 million (-173.8%) quarter on quarter. In previous year's comparative quarter, higher sales were generated due to gradual easing of lockdown and business was operated in full capacity. During current quarter under review, the enforcement of Full Movement Control Order ("FMCO") nationwide has impacted on consumer demand and majority of outlets are temporary closed at full capacity since 1 June 2021 until 18 August 2021. There was no revenue generated from these outlets during the FMCO period.

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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 2021	Immediate Preceding Quarter 30 June 2021	Changes
	RM'000	RM'000	%
Revenue	81,384	209,835	-61.2%
Operating (Loss)/Profit	(16,260)	18,326	-188.7%
(Loss)/Profit Before Interest and Tax	(16,260)	18,326	-188.7%
(Loss)/Profit Before Tax	(20,817)	13,245	-257.2%
(Loss)/Profit After Tax	(16,864)	10,495	-260.7%
(Loss)/Profit attributable to: -Ordinary equity holders of Parent	(16,864)	10,495	-260.7%

Revenue and Profit before tax for this quarter decreased by approximately RM128.5 million (-61.2%) and RM34.1 million (-257.2%) respectively compared to the immediate preceding quarter. This was mainly due to decrease in sales resulting from the implementation of FMCO since 1 June 2021 which restricted business operations at full capacity in current quarter under review. Majority of the outlets were only reopened from 18 August 2021 progressively with the implementation of NRP announced by the Government on 15 August 2021.

15. Commentary on Prospect

Retail business in general remains challenging in the financial year due to any potential outbreak of Covid-19 and potential supply chain disruption, increase in material costs, hike in freight charges and other inflation related issues. With the successful implementation of the vaccination program in Malaysia and barring any major outbreaks due to evolving Covid-19 variants, we are cautiously optimistic of returning to profitability for the remaining quarters of the financial year. Management will continue to provide value for money products and implementing measures to control costs, optimising working capital, preserving cash and streamline its operations to minimise the impact.

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

	Current Quarter 3 months ended		Cumulative Period 3 months ended	
	30-Sep-21 RM'000	30-Sep-20 RM'000	30-Sep-21 RM'000	30-Sep-20 RM'000
Current tax:				
Malaysian tax	1,416	8,446	1,416	8,446
Foreign tax	46	335	46	335
	<u>1,462</u>	<u>8,781</u>	<u>1,462</u>	<u>8,781</u>
Deferred tax	(5,415)	(1,307)	(5,415)	(1,307)
Total Income tax expense	<u>(3,953)</u>	<u>7,474</u>	<u>(3,953)</u>	<u>7,474</u>

The effective tax rate for current quarter under review is lower than the statutory tax rate mainly due to the utilisation of unabsorbed tax losses.

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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 2021 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Short Term - Term Loans / Trade Finance	-	-	-
Short Term - Leasing & HP (Under lease liabilities)	277	-	277
Short Term Borrowing - Subtotal	277	-	277
Long Term - Bank	-	-	-
Long Term - Leasing & HP (Under lease liabilities)	309	-	309
Long Term Borrowing - Subtotal	309	-	309
Total Borrowings	586	-	586

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	265	-	265
Short Term Borrowing - Subtotal	1,425	-	1,425
Long Term - Bank	-	-	-
Long Term - Leasing & HP	586	-	586
Long Term Borrowing - Subtotal	586	-	586
Total Borrowings	2,011	-	2,011

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 2021 and 30 September 2020.

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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 2021 was not qualified.

25. Dividend Payable

On 26 November 2021, the Company has declared a 1st interim dividend of 2.5 sen per ordinary share (single tier) for the financial year ending 30 June 2022, which will be payable in December 2021.

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 3 months ended		Cumulative Period 3 months ended	
	30-Sept-21 RM'000	30-Sept-20 RM'000	30-Sept-21 RM'000	30-Sept-20 RM'000
(Loss)/Profit attributable to ordinary equity holders of the parent	(16,864)	20,719	(16,864)	20,719
Weighted average number of ordinary shares in issue ('000)	657,910	657,910	657,910	657,910
Basic earnings per share for:				
(Loss)/Profit from continuing operations	(2.56) sen	3.15 sen	(2.56) sen	3.15 sen
Profit from discontinued operations	-	-	-	-
(Loss)/Profit for the period	<u>(2.56) sen</u>	<u>3.15 sen</u>	<u>(2.56) sen</u>	<u>3.15 sen</u>

(b) Diluted

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

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	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000
The following items have been charged/(credited) in arriving profit from operations:		
Interest income	(1,943)	(1,867)
Net realised (gain)/loss on foreign exchange	(70)	(27)
Net unrealised (gain)/loss on foreign exchange	(187)	1,800
Royalty income	(192)	(107)
Rental income	(45)	(46)
Depreciation and amortisation	27,872	34,406
Unwinding of discount on provision for restoration costs	245	153
Interest expense on lease liabilities	4,290	5,645
Interest expense	-	20
Inventory losses, inventories written down/(back) and inventories written off	2,393	770

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 26 November 2021.