

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 DECEMBER 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
<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 31 December 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	-	516,294	58,711	-	-	575,005
Inter segment revenue	-	(7,737)	(58,711)	-	-	(66,448)
Total revenue	-	508,557	-	-	-	508,557
Interest income	728	3,406	475	1	(237)	4,373
Finance costs	-	(9,046)	(4,640)	-	4,832	(8,854)
Net finance income/(expense)	728	(5,640)	(4,165)	1	4,595	(4,481)
Depreciation of property, plant and equipment	723	8,270	992	156	(118)	10,023
Depreciation of right-of-use assets	-	44,052	268	3	-	44,323
Amortisation of intangible assets	-	104	548	-	-	652
Segment profit/(loss) before tax	2,129	52,658	6,451	(428)	204	61,014
Income tax expense	(665)	(14,712)	(1,607)	(3)	2	(16,985)
Additions to non-current assets other than financial instruments and deferred tax assets	-	6,129	1,199	-	(3)	7,325
Segment assets	367,008	1,190,905	335,408	32,293	(584,329)	1,341,285
Segment liabilities	726	505,238	285,609	60	(279,475)	512,158

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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 31 December 2021, except for the Covid-19 pandemic and the implementation of Full Movement Control Order ("FMCO") from 1 June 2021 up to 15 August 2021. All outlets were closed during FMCO period. Subsequently, with the implementation of National Recovery Plan ("NRP") in August 2021, all outlets have resumed business since 18 August 2021 and operated in full capacity with the Standard Operating Procedures ("SOP"). With the ramp up of vaccination programme progress, the government relaxed certain rules and allowing those fully vaccinated to dine in etc. Our outlets began adopting the similar rule by requiring customers to show proof of having fully completed Covid-19 vaccination before allowing them in.

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

The first interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,737 for the financial year ending 30 June 2022 that was declared on 26 November 2021 was paid on 31 December 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 31 December 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 up to the date of this report that have not been reflected in the financial statements.

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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 (2 nd Quarter)			Cumulative Period		
	Current Year Quarter 31 December 2021	Preceding Year Corresponding Quarter 31 December 2020	Changes	Current Year Quarter 31 December 2021	Preceding Year Corresponding Quarter 31 December 2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	427,173	245,958	73.7%	508,557	556,678	-8.6%
Operating Profit	86,128	21,209	306.1%	69,868	55,245	26.5%
Profit Before Interest and Tax	86,128	21,209	306.1%	69,868	55,245	26.5%
Profit Before Tax	81,831	15,904	414.5%	61,014	44,097	38.4%
Profit After Tax	60,893	10,653	471.6%	44,029	31,372	40.3%
Profit attributable to: -Ordinary equity holders of the Parent	60,893	10,653	471.6%	44,029	31,372	40.3%

13. Performance Review

Comparing to quarter on quarter, the Group reported an increase of revenue and profit before tax by RM181.2million (73.7%) and RM65.9million (414.5%) respectively. The increase was mainly due to higher sales generated as a result from the relaxing lockdown on 15 August 2021 and the progress of vaccine roll-out which have increased the footfall in the shopping malls. Fully vaccinated people are allowed to shop at retail outlets and feel confident in the protection which help to increase the business activities. As compared to the previous quarter, before the rolling out of the vaccine programme, the Government had reinstated the Conditional Movement Control Order (“CMCO”) to control the surge of Covid-19 on 14 October 2020 which has impacted on business operation.

Comparing to year on year, the Group’s revenue was lower by RM48.1million (-8.6%) whereas profit before tax has improved by RM16.9million (38.4%). The decrease in revenue was due to the enforcement of Full Movement Control Order (“FMCO”) nationwide 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. Despite decrease in revenue, profit before tax reported an increase of RM16.9million. This was mainly attributable to rental rebates and wages subsidy received during the current financial period under review.

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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 31 December 2021	Immediate Preceding Quarter 30 September 2021	Changes
	RM'000	RM'000	%
Revenue	427,173	81,384	424.9%
Operating Profit/(Loss)	86,128	(16,260)	629.7%
Profit /(Loss) Before Interest and Tax	86,128	(16,260)	629.7%
Profit /(Loss) Before Tax	81,831	(20,817)	493.1%
Profit /(Loss) After Tax	60,893	(16,864)	461.1%
Profit /(Loss) attributable to: -Ordinary equity holders of Parent	60,893	(16,864)	461.1%

Revenue and profit before tax for this quarter increased by approximately RM345.8 million (424.9%) and RM102.4 million (493.1%) respectively compared to the immediate preceding quarter. This was mainly due to increase in sales resulting from reopening of all outlets after lifting of FMCO on 15 August 2021 onwards and festive season such as Christmas season and year-end school holidays during current quarter under review.

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 maintaining the 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		Cumulative Period	
	3 months ended		6 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian tax	16,085	5,474	17,501	13,920
Foreign tax	404	2	450	337
	<u>16,489</u>	<u>5,476</u>	<u>17,951</u>	<u>14,257</u>
Deferred tax	4,449	(225)	(966)	(1,532)
Total Income tax expense	<u>20,938</u>	<u>5,251</u>	<u>16,985</u>	<u>12,725</u>

The effective tax rate is at the range of 26% - 29% 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 31 December 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)	272	-	272
Short Term Borrowing - Subtotal	272	-	272
Long Term - Bank	-	-	-
Long Term - Leasing & HP (Under lease liabilities)	246	-	246
Long Term Borrowing - Subtotal	246	-	246
Total Borrowings	518	-	518

The Group borrowings as at 31 December 2020 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Short Term - Term Loans / Trade Finance	696	-	696
Short Term - Leasing & HP	268	-	268
Short Term Borrowing - Subtotal	964	-	964
Long Term - Bank	-	-	-
Long Term - Leasing & HP	518	-	518
Long Term Borrowing - Subtotal	518	-	518
Total Borrowings	1,482	-	1,482

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 31 December 2021 and 31 December 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 23 February 2022, the Company has declared a 2nd interim dividend of 2.5 sen per ordinary share (single tier) for the financial year ending 30 June 2022, which will be payable in March 2022.

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 6 months ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Profit attributable to ordinary equity holders of the parent	60,893	10,653	44,029	31,372
Weighted average number of ordinary shares in issue ('000)	657,910	657,910	657,910	657,910
Basic earnings per share for:				
Profit from continuing operations	9.26 sen	1.62 sen	6.69 sen	4.77 sen
Profit from discontinued operations	-	-	-	-
Profit for the period	<u>9.26 sen</u>	<u>1.62 sen</u>	<u>6.69 sen</u>	<u>4.77 sen</u>

(b) Diluted

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

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27. Note to the Statement of profit or loss and other comprehensive income

The following items have been charged/(credited) in arriving profit from operations:

	<u>Current Quarter</u>		<u>Cumulative Period</u>	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,430)	(1,878)	(4,373)	(3,745)
Net realised (gain)/loss on foreign exchange	27	84	(43)	57
Net unrealised (gain)/loss on foreign exchange	131	1,172	(56)	2,972
Royalty income	(49)	(129)	(241)	(236)
Rental income	(44)	(45)	(89)	(91)
Depreciation and amortisation	27,126	31,887	54,998	66,293
Interest expense on unwinding of discount on provision for restoration costs	185	140	430	293
Interest expense on lease liabilities	4,088	5,127	8,378	10,772
Interest expense	-	14	-	34
Inventory losses, inventories written down/(back) and inventories written off	(3,284)	(848)	(891)	(78)

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 23 February 2022.