

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
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.

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

3. Segmental Information

Segment analysis for the financial period ended 31 March 2022 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	-	848,152	96,559	-	-	944,711
Inter segment revenue	-	(10,255)	(96,559)	-	-	(106,814)
Total revenue	-	837,897	-	-	-	837,897
Interest income	969	5,769	812	2	(290)	7,262
Finance costs	-	(14,390)	(7,548)	(1)	7,817	(14,122)
Net finance income/(expense)	969	(8,621)	(6,736)	1	7,527	(6,860)
Depreciation of property, plant and equipment	1,082	12,407	1,366	233	(178)	14,910
Depreciation of right-of-use assets	-	71,383	404	4	-	71,791
Amortisation of intangible assets	-	152	841	-	-	993
Segment profit/(loss) before tax	3,059	89,868	7,260	(664)	3,374	102,897
Income tax expense	(964)	(23,492)	(1,794)	(6)	3	(26,253)
Additions to non-current assets other than financial instruments and deferred tax assets	-	10,533	1,737	-	(3)	12,267
Segment assets	351,002	1,277,502	325,496	32,116	(572,749)	1,413,367
Segment liabilities	536	563,404	274,928	68	(271,036)	567,900

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2022.

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.

The second 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 23 February 2022 was paid on 31 March 2022.

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 March 2022, 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 except for announcement by government on transition to endemic phase of Covid-19 from 1 April 2022 onwards. Certain rules are further relaxed, with no changes to our outlets' SOPs.

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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 (3 rd Quarter)			Cumulative Period		
	Current Year Quarter 31 March 2022	Preceding Year Corresponding Quarter 31 March 2021	Changes	9 Months 31 March 2022	Preceding year 9 Months 31 March 2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	329,340	262,874	25.3%	837,897	819,552	2.2%
Operating Profit	47,151	21,674	117.5%	117,019	76,919	52.1%
Profit Before Interest and Tax	47,151	21,674	117.5%	117,019	76,919	52.1%
Profit Before Tax	41,883	16,804	149.2%	102,897	60,901	69.0%
Profit After Tax	32,615	12,190	167.6%	76,644	43,562	75.9%
Profit attributable to: -Ordinary equity holders of the Parent	32,615	12,190	167.6%	76,644	43,562	75.9%

13. Performance Review

Comparing to quarter on quarter, the Group reported an increase of revenue and profit before tax by RM66.5million (25.3%) and RM25.1million (149.2%) respectively. This is due to the reinstatement of Movement Control Order (“MCO 2.0”) during the previous year’s comparative quarter with most outlets closed in full capacity from 13 January 2021 until 10 Feb 2021 which has impacted on top line sales. During the current quarter under review, all outlets were operating at full capacity.

Comparing to year on year, the Group’s revenue and profit before tax have increased by RM18.3million (2.2%) and RM42.0million (69.0%) respectively. The increase was mainly due to higher sales generated as a result from the relaxing lockdown since 15 August 2021 and the progress of vaccine roll-out which have increased the footfall in the shopping malls. With high vaccination rate in the community, the public feel confident in the protection which helps to rebound the business activities. As compared to the previous comparative period, before the rolling out of the vaccine programme, the Government had reimposed Conditional Movement Control Order (“CMCO”) and Movement Control Order (“MCO 2.0”) on 14 October 2020 and 13 January 2021 respectively to control the surge of Covid-19 which has impacted on business operation. In addition, right-sizing of workforce to optimise the cost efficiency and wages subsidy received during the current financial period under review has contributed to the increase in profit before tax.

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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 March 2022	Immediate Preceding Quarter 31 December 2021	Changes
	RM'000	RM'000	%
Revenue	329,340	427,173	-22.9%
Operating Profit	47,151	86,128	-45.3%
Profit Before Interest and Tax	47,151	86,128	-45.3%
Profit Before Tax	41,883	81,831	-48.8%
Profit After Tax	32,615	60,893	-46.4%
Profit attributable to: -Ordinary equity holders of Parent	32,615	60,893	-46.4%

Revenue and profit before tax for this quarter decreased by approximately RM97.8 million (22.9%) and RM39.9 million (48.8%) respectively compared to the immediate preceding quarter. The higher in the previous quarter was mainly due to festive season sales such as Christmas/Chinese New Year and year-end school holidays. Profit for current quarter was accordingly lower which included bonus payout for financial year 2022.

15. Commentary on Prospect

Retail business in general remains challenging in the financial year due to any major 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 quarter 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 9 months ended	
	31-Mar-22 RM'000	31-Mar-21 RM'000	31-Mar-22 RM'000	31-Mar-21 RM'000
Current tax:				
Malaysian tax	8,828	4,333	26,329	18,253
Foreign tax	224	161	674	498
	<u>9,052</u>	<u>4,494</u>	<u>27,003</u>	<u>18,751</u>
Deferred tax	216	120	(750)	(1,412)
Total Income tax expense	<u>9,268</u>	<u>4,614</u>	<u>26,253</u>	<u>17,339</u>

The effective tax rate is at the range of 26% - 28% mainly due to the higher non-deductible expenses.

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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 March 2022 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)	266	-	266
Short Term Borrowing - Subtotal	266	-	266
Long Term - Bank	-	-	-
Long Term - Leasing & HP (Under lease liabilities)	183	-	183
Long Term Borrowing - Subtotal	183	-	183
Total Borrowings	449	-	449

The Group borrowings as at 31 March 2021 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Short Term - Term Loans / Trade Finance	228	-	228
Short Term - Leasing & HP	271	-	271
Short Term Borrowing - Subtotal	499	-	499
Long Term - Bank	-	-	-
Long Term - Leasing & HP	449	-	449
Long Term Borrowing - Subtotal	449	-	449
Total Borrowings	948	-	948

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 March 2022 and 31 March 2021.

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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 27 May 2022, the Company has declared a 3rd interim dividend of 5.0 sen per ordinary share (single tier) for the financial year ending 30 June 2022, which will be payable in June 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 9 months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	32,615	12,190	76,644	43,562
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	4.96 sen	1.85 sen	11.65 sen	6.62 sen
Profit from discontinued operations	-	-	-	-
Profit for the period	<u>4.96 sen</u>	<u>1.85 sen</u>	<u>11.65 sen</u>	<u>6.62 sen</u>

(b) Diluted

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

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,889)	(1,890)	(7,262)	(5,635)
Net realised (gain)/loss on foreign exchange	92	(125)	49	(68)
Net unrealised (gain)/loss on foreign exchange	(472)	(994)	(528)	1,978
Royalty income	(462)	(135)	(703)	(371)
Rental income	(45)	(44)	(134)	(135)
Depreciation and amortisation	32,696	27,962	87,694	94,255
Interest expense on unwinding of discount on provision for restoration costs	151	123	581	416
Interest expense on lease liabilities	5,076	4,738	13,454	15,510
Interest expense	-	10	-	44
Inventory losses, inventories written down/(back) and inventories written off	502	596	(389)	518

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 May 2022.