

UNAUDITED RESULTS OF THE GROUP FOR THE QUARTER ENDED 30 SEPTEMBER 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 2022. 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 2022.

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 2022 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 2022:

Effective for financial periods beginning on

Amendments/Improvements to MFRS

Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before intended use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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 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	-	381,159	37,669	104	-	418,932
Inter segment revenue	-	(2,069)	(37,669)	(104)	-	(39,842)
Total revenue	-	379,090	-	-	-	379,090
Interest income	119	3,624	557	1	(56)	4,245
Finance costs	-	(4,751)	(2,364)	-	2,414	(4,701)
Net finance income/(expense)	119	(1,127)	(1,807)	1	2,358	(456)
Depreciation of property, plant and equipment	358	3,474	408	82	(59)	4,263
Depreciation of right-of-use assets	-	23,468	133	4	-	23,605
Amortisation of intangible assets	-	47	312	-	-	359
Segment profit/(loss) before tax	965	60,838	2,374	(85)	53	64,145
Income tax expense	(276)	(14,341)	(664)	(3)	1	(15,283)
Additions to non-current assets other than financial instruments and deferred tax assets	-	4,000	1,063	9	(2)	5,070
Segment assets	399,987	1,452,810	345,706	33,328	(662,428)	1,569,403
Segment liabilities	870	712,352	292,147	138	(360,825)	644,682

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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 30 September 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 2023 that was declared on 26 August 2022 was paid on 30 September 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 30 September 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.

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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 2022	Preceding Year Corresponding Quarter 30 September 2021	Changes	3 Months 30 September 2022	Preceding year 3 Months 30 September 2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	379,090	81,384	365.8%	379,090	81,384	365.8%
Operating Profit/(Loss)	68,846	(16,260)	523.4%	68,846	(16,260)	523.4%
Profit/(Loss) Before Interest and Tax	68,846	(16,260)	523.4%	68,846	(16,260)	523.4%
Profit/(Loss) Before Tax	64,145	(20,817)	408.1%	64,145	(20,817)	408.1%
Profit/(Loss) After Tax	48,862	(16,864)	389.7%	48,862	(16,864)	389.7%
Profit/(Loss) attributable to: -Ordinary equity holders of the Parent	48,862	(16,864)	389.7%	48,862	(16,864)	389.7%

13. Performance Review

Comparing to quarter on quarter, the Group reported an increase of revenue and profit before tax by RM297.7 million (365.8%) and RM85.0 million (408.1%) respectively. This is due to the enforcement of Full Movement Control Order (“FMCO”) nationwide during the previous year’s comparative quarter with most outlets closed from 1 June 2021 until 18 August 2021. There was no revenue generated from these outlets during the FMCO period. During the current quarter under review, all outlets were operating at full capacity.

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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 2022	Immediate Preceding Quarter 30 June 2022	Changes
	RM'000	RM'000	%
Revenue	379,090	481,200	-21.2%
Operating Profit	68,846	107,434	-35.9%
Profit Before Interest and Tax	68,846	107,434	-35.9%
Profit Before Tax	64,145	102,213	-37.2%
Profit After Tax	48,862	77,459	-36.9%
Profit attributable to: -Ordinary equity holders of Parent	48,862	77,459	-36.9%

Revenue and profit before tax for the current quarter under review decreased by approximately RM102.1 million (21.1%) and RM38.1 million (37.2%) respectively compared to the immediate preceding quarter. The decrease was mainly due to festive Hari Raya sales and mid-year school holidays in the previous quarter.

15. Commentary on Prospect

Retail business in general remains challenging due to the deterioration in consumer sentiment and purchasing power arising from the slower global economy, trade tensions and rising inflation and interest rates. However, supply chain issues, increase in material costs, freight, labour and interest rates seem to be on an easing trend although there may still be some further increases in the short term.

Barring any significant deterioration in consumer sentiment or major outbreaks due to evolving Covid-19 variants, we are cautiously optimistic of performing satisfactorily for the current financial year. Management will continue to provide value for money products and implementing measures to control costs, optimise working capital, preserve cash and streamline the operations to minimise any adverse impacts.

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-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian tax	15,688	1,416	15,688	1,416
Foreign tax	351	46	351	46
	<u>16,039</u>	<u>1,462</u>	<u>16,039</u>	<u>1,462</u>
Deferred tax	(756)	(5,415)	(756)	(5,415)
Total Income tax expense	<u>15,283</u>	<u>(3,953)</u>	<u>15,283</u>	<u>(3,953)</u>

The effective tax rate is at 25% 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, the proposed Employees' Share Option Scheme ("Proposed ESOS") had been approved at the Annual General Meeting ("41st AGM") on 25 November 2022.

21. Borrowings

The Group borrowings as at 30 September 2022 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Hire purchase (Under lease liabilities)	255	-	255
Short Term Borrowing - Subtotal	255	-	255
Hire purchase (Under lease liabilities)	54	-	54
Long Term Borrowing - Subtotal	54	-	54
Total Borrowings	309	-	309

The Group borrowings as at 30 September 2021 comprise the following:

	Secured Debt (RM'000)	Unsecured Debt (RM'000)	Total (RM'000)
Hire purchase (Under lease liabilities)	277	-	277
Short Term Borrowing - Subtotal	277	-	277
Hire purchase (Under lease liabilities)	309	-	309
Long Term Borrowing - Subtotal	309	-	309
Total Borrowings	586	-	586

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 2022 and 30 September 2021.

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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 2022 was not qualified.

25. Dividend Payable

On 29 November 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 2023, which will be payable on 30 December 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 3 months ended	
	30-Sept-22 RM'000	30- Sept -21 RM'000	30- Sept -22 RM'000	30- Sept -21 RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent	48,862	(16,864)	48,862	(16,864)
Weighted average number of ordinary shares in issue ('000)	657,910	657,910	657,910	657,910
Basic earnings per share for:				
Profit/(Loss) from continuing operations	7.43 sen	(2.56) sen	7.43 sen	(2.56) sen
Profit/(Loss) from discontinued operations	-	-	-	-
Profit/(Loss) for the period	<u>7.43 sen</u>	<u>(2.56) sen</u>	<u>7.43 sen</u>	<u>(2.56) sen</u>

(b) Diluted

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

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

	<u>Current Quarter</u>		<u>Cumulative Period</u>	
	<u>30-Sept-22</u>	<u>30-Sept-21</u>	<u>30-Sept-22</u>	<u>30-Sept-21</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(4,245)	(1,943)	(4,245)	(1,943)
Net realised loss/(gain) on foreign exchange	70	(70)	70	(70)
Net unrealised gain on foreign exchange	(3,018)	(187)	(3,018)	(187)
Royalty income	(125)	(192)	(125)	(192)
Rental income	(48)	(45)	(48)	(45)
Depreciation and amortisation	28,227	27,872	28,227	27,872
Interest expense on unwinding of discount on provision for restoration costs	319	245	319	245
Interest expense on lease liabilities	4,321	4,290	4,321	4,290
Inventory losses, net inventories written down/(back) and inventories written off	999	2,393	999	2,393

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 29 November 2022.