

Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

	Q3-FYR 2022 RM'000	Q3-FYR 2021 RM'000	Financial Period - 9 Months	
			to 31-1-2022 RM'000	to 31-1-2021 RM'000
Revenue	312,829	367,824	730,653	928,915
Operating expenses	(277,775)	(316,403)	(670,376)	(816,451)
Other operating income/(expenses)				
Gain/(loss) on foreign exchange	449	(1,576)	1,565	(3,401)
Others	(2,288)	170	(2,091)	484
Profit from operations	33,215	50,015	59,751	109,547
Investment related income	1,773	4,572	6,647	7,428
Finance costs	(117)	(144)	(336)	(440)
Profit before tax	34,871	54,443	66,062	116,535
[Before gain on disposal of properties]				
Gain on disposal of properties				
[Before real property gain tax, etc. - Note 14(b)]	-	6,940	16,889	7,150
Profit before tax	34,871	61,383	82,951	123,685
[After gain on disposal of property]				
Tax expense	(8,196)	(12,408)	(18,151)	(27,119)
Profit for the period	26,675	48,975	64,800	96,566
[Representing total comprehensive income for the period]				
Total comprehensive income attributable to :				
Owners of the Company	26,675	48,953	64,800	96,544
Non-controlling interests	-	22	-	22
	26,675	48,975	64,800	96,566
Basic / diluted earnings per share (Sen)	6.15	11.29	14.95	22.26
Dividends per share (Sen)				
- Interim dividend (Q1)	N/A	N/A	-	2.00
- Interim dividend (Q2)	N/A	N/A	2.00	1.80
- Interim dividend (Q3), and Special dividend (Q3)	2.00	3.50	2.00	3.50
	-	1.00	-	1.00
	2.00	4.50	4.00	8.30

Condensed Consolidated Statement of Financial Position as at 31 January 2022

	Unaudited @ 31-1-2022	Audited @ 30-4-2021
ASSETS		
Non-current assets	RM'000	RM'000
Property, plant and equipment	56,749	58,295
Investment properties	1,063	1,078
Investment securities - Unquoted shares	17,820	17,820
	<u>75,632</u>	<u>77,193</u>
Current assets		
Inventories	233,703	249,482
Receivables	136,362	115,495
Investment securities - Money market unit trusts	3,637	257,803
Bank deposits and cash balances	347,649	83,139
	<u>721,351</u>	<u>705,919</u>
Non-current asset held for sale	-	6,119
	<u>721,351</u>	<u>712,038</u>
TOTAL ASSETS	<u>796,983</u>	<u>789,231</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	216,975	216,975
Reserves	520,875	476,881
Treasury shares	(686)	(686)
Net equity funds	<u>737,164</u>	<u>693,170</u>
Non-controlling Interests	<u>26</u>	<u>26</u>
Total equity	<u>737,190</u>	<u>693,196</u>
Non-current liability		
Deferred tax liabilities	<u>5,602</u>	<u>5,918</u>
Current liabilities		
Payables	45,944	79,685
Current tax liabilities	8,247	10,432
	<u>54,191</u>	<u>90,117</u>
Total liabilities	<u>59,793</u>	<u>96,035</u>
TOTAL EQUITY AND LIABILITIES	<u>796,983</u>	<u>789,231</u>
Net assets per share (RM)	1.70	1.60

Notes :

- (1) The net assets per share is calculated based on the net equity funds divided by 433,450,579 being the no. of shares in issue with voting rights.
- (2) The annexed notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity
For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

	- - - - Attributable to Owners of the Parent Company - - - -						Total Equity
	Share Capital	Treasury Shares	Distributable Retained Profits	Total Reserves	Net Equity Funds	Non controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>For the financial period to 31 January 2022</u>							
Balance as at 1 May 2021	216,975	(686)	476,881	476,881	693,170	26	693,196
Total Comprehensive Income for the period	-	-	64,800	64,800	64,800	-	64,800
<u>Transaction with owners</u>							
Dividend in respect of FYR 2021	-	-	(12,137)	(12,137)	(12,137)	-	(12,137)
Dividend in respect of FYR 2022	-	-	(8,669)	(8,669)	(8,669)	-	(8,669)
Balance as at 31 January 2022	<u>216,975</u>	<u>(686)</u>	<u>520,875</u>	<u>520,875</u>	<u>737,164</u>	<u>26</u>	<u>737,190</u>

(^) Available-for-sale

For the financial period to 31 January 2021

Balance as at 1 May 2020	216,975	(686)	392,194	392,194	608,483	25	608,508
Profit for the period	-	-	96,544	96,544	96,544	22	96,566
Total comprehensive Income	-	-	96,544	96,544	96,544	22	96,566
<u>Transaction with Owners</u>							
Dividend in respect of FYR 2020	-	-	(6,502)	(6,502)	(6,502)	-	(6,502)
Dividend in respect of FYR 2021	-	-	(16,471)	(16,471)	(16,471)	-	(16,471)
Balance as at 31 January 2021	<u>216,975</u>	<u>(686)</u>	<u>465,765</u>	<u>465,765</u>	<u>682,054</u>	<u>47</u>	<u>682,101</u>

The annexed notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Cash Flows
For the Nine Months Ended 31 January 2022

	Unaudited 31-1-2022 RM'000	Unaudited 31-1-2021 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	82,951	123,685
Adjustments for :		
Depreciation	4,275	4,740
Dividend income	(3,253)	(6,453)
Gain on disposal of properties, plant and equipment	(16,948)	(7,420)
Interest income	(3,122)	(1,021)
Property, plant and equipment written off	2	9
Net unrealised loss on foreign exchange	112	1,229
Operating profit before working capital changes	64,017	114,769
Decrease in inventories	15,779	11,358
Increase in receivables	(20,864)	(13,918)
Decrease in payables	(33,858)	(10,528)
Cash generated from operations	25,074	101,681
Net Income tax paid	(20,650)	(24,192)
Net cash from operating activities	4,424	77,489
<u>Cash flows from investing activities</u>		
Net dividends received	3,253	6,453
Interest received	3,122	1,021
Proceeds from disposal of property, plant and equipment	23,067	9,295
Purchase of plant and equipment	(2,716)	(11,608)
Placement of fixed deposits	(282,620)	(12,630)
Net cash used in investing activities	(255,894)	(7,469)
<u>Cash flows from financing activities</u>		
Dividends paid to shareholders of the Company	(20,806)	(22,973)
Net cash used in financial activities	(20,806)	(22,973)
Net increase in cash and cash equivalents	(272,276)	47,047
Effects of changes in exchange rates on cash and cash equivalents	(1)	(1,991)
Cash and cash equivalents at beginning	308,953	255,706
Cash and cash equivalents at end	36,676	300,762
Cash and cash equivalents comprise the followings :-		
Investment in money market funds	3,637	232,126
Fixed deposits with licensed banks	338,633	98,016
Cash and bank balances	9,016	3,622
	351,286	333,764
Less : Fixed deposits with maturity more than three months	(314,610)	(33,002)
	36,676	300,762

Notes :

- (1) Investment in money market funds is classified as part of cash and cash equivalents as these investments are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.
- (2) Fixed deposits with maturity of more than three months be deemed as cash flows from investing activities.

The annexed notes form an integral part of this interim financial report.

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

1) Basis of preparation

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial reporting Standards ("MFRS") 134 - Interim Financial Reporting and the requirements of paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2021 ("FYR 2021"). These explanatory notes attached to the interim financial statements provide and explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of the Group since FYR 2021.

Changes in accounting policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for FYR 2021. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs, IC Interpretations and annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 May 2021.

The adoption of newly effective MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs are expected to have no significant financial impacts to the financial statements of the Group upon their initial application except for changes in presentation and additional disclosures of financial information.

2) Audit report of preceding annual financial statements

The auditors' report of the Company's most recent annual financial statements for FYR 2021 was not subject to any qualification.

3) Seasonal or cyclical factors

The operations of the Group were not materially affected by seasonal or cyclical factors.

4) Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the nine months ended 31 January 2022 ("financial period") other than those disclosed in this interim financial report.

5) Material changes in estimates

There were no material changes in the estimates of amounts reported in the third quarter ended 31 January 2022 ("Q3-FYR 2022").

6) Change in composition of the Group

There were no changes in the composition of the Group during the financial period.

7) Share capital and treasury shares

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period except for the following :

	No. of shares ('000)	Average price per share (RM)	Amount RM'000
Total treasury shares as at 1 May 2021 / 31 January 2022	500	1.37	686

The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial period.

As at 31 January 2022, the Company's no. of outstanding shares in issue with voting rights was 433,450,579 ordinary shares excluding 500,000 treasury shares (30 April 2021 : 433,450,579 ordinary shares).

8) Dividend paid

Dividends paid during the financial period are as follows :

- (i) 4th interim dividend for FYR 2021 of 2.8 Sen per share amounting to RM12.137 million paid on 28 July 2021.
- (ii) Interim dividend for FYR 2022 of 2.0 Sen per share amounting to RM8.669 million paid on 25 January 2022.

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

9) Subsequent events

There were no material subsequent events occurred from the end of the reporting period up to the date of this announcement which require disclosure.

10) Segment information

	Financial period	
	RM'000	%
<u>Revenue</u>		
Garment manufacturing	654,775	89.6%
Packaging	75,878	10.4%
Total revenue - external	<u>730,653</u>	<u>100.0%</u>
<u>Results</u>	RM'000	
Garment manufacturing	60,811	
Packaging manufacturing and miscellaneous	(619)	
	<u>60,192</u>	
Unallocated corporate expenses	(441)	
Profit from operations	59,751	
Investment related Income :		
Dividend income	3,253	
Interest income	3,122	
Fair value loss on investment securities	(3)	
Gain on disposal of investment securities	275	
	6,647	
Finance costs (Non-interest)	(336)	
Profit before tax ("PBT") - before gain on disposal of property	66,062	
Gain on disposal of property	16,889	
PBT after gain on disposal of property	82,951	
Taxation expenses	(18,151)	
Net profit after tax ("PAT")	<u>64,800</u>	

11) Analysis of performance

The Group's businesses are principally divided into two business segments, namely the manufacturing and sale of (i) garments, and (ii) flexible plastic packaging goods and corrugated cartons.

The Garment segment accounted for about 89.6% and all of the Group's revenue and profit from operations (before gain on disposal of property and unallocated corporate expenses) respectively for the financial period.

The key factors that affect the performance of garment business include mainly the labour costs, other operating costs, foreign currency exchange differences, demand for the garments and the ability of management to cope with change.

For the packaging segment, the key factors that affect its performance include mainly raw material costs, operating costs, demand for the packaging products and the ability of management to cope with change. Raw materials consist of kraft liner, test liner, medium papers, white papers, polyethylene resins and etc.

Summary of the Group's results :

	Q3-FYR 2022	Q3-FYR 2021	%	Financial period	Financial period	%
	RM'000	RM'000		to 31-1-2022	to 31-1-2021	
				RM'000	RM'000	
Revenue	<u>312,829</u>	<u>367,824</u>	-15.0%	<u>730,653</u>	<u>928,915</u>	-21.3%
Profit from operations	<u>33,215</u>	<u>50,015</u>	-33.6%	<u>59,751</u>	<u>109,547</u>	-45.5%
PBT (before gain on disposal of property)	<u>34,871</u>	<u>54,443</u>	-35.9%	<u>66,062</u>	<u>116,535</u>	-43.3%
PBT (after gain on disposal of property)	<u>34,871</u>	<u>61,383</u>	-43.2%	<u>82,951</u>	<u>123,685</u>	-32.9%
PAT	<u>26,675</u>	<u>48,975</u>	-45.5%	<u>64,800</u>	<u>96,566</u>	-32.9%

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")Q3-FYR 2022 vs Preceding Year Corresponding Quarter (Q3-FYR 2021)

Revenue for Q3-FYR 2022 decreased by 15.0% to RM312.829 million versus Q3-FYR 2021.

Garment revenue for Q3-FYR 2022 decreased by 15.8% to RM286.696 million from RM340.506 million mainly due to the after-effects of the suspension of our Vietnam garment operations resulting from the major lockdown imposed by Vietnamese government from 19 July 2021 to 30 September 2021 to curb the Covid-19 pandemic.

Packaging revenue for Q3-FYR 2022 decreased by 4.3% to RM26.133 million from RM27.318 million in Q3 -FYR 2021 mainly due to lower sale orders received and the flood that affected the operations in our packaging factory in December 2021.

PBT of the Group for Q3-FYR 2022 before gain on disposal of property dropped by 35.9% to RM34.871 million as compared to Q3-FYR 2021 of RM54.443 million. After accounting for the gain on disposal of property, PBT of the Group for Q3-FYR 2022 decreased by 43.2% to RM34.871 million versus Q3-FYR 2021. There was a gain on disposal of property in Q3-FYR 2021 of RM6.940 million (Q3-FYR 2022 - nil).

Garment PBT for Q3-FYR 2022 before gain on disposal of property dropped by 28.1% to RM37.122 million as compared to Q3-FYR 2021 of RM51.620 million mainly due to lower revenue as explained above. After accounting for the gain on disposal of property, Garment PBT for Q3-FYR 2022 decreased by 28.7% to RM37.122 million versus Q3-FYR 2021.

Packaging PBT for Q3-FYR 2022 decreased by 169.5% mainly due to loss resulting from the flood as stated above and higher packaging raw materials costs. The subsidiary affected is in the process of pursuing the insurance claim from the insurer for the flood loss incurred.

Financial Period vs Preceding Year Corresponding Year-to-date (Last YTD)

Revenue of the Group for the financial period decreased by 21.3% to RM730.653 million as compared to RM928.915 million in last YTD mainly due to negative impacts of Covid-19 pandemic on both our Malaysia and Vietnam operations. The total lockdown in Malaysia was from 1 June 2021 to 4 July 2021 while the strict lockdown in Vietnam was from 19 July 2021 to 30 September 2021.

Segment wise, Garment revenue for the financial period decreased by 23.3% to RM654.775 million from RM853.270 million mainly due to lower revenue resulting from the suspension of Vietnam operations and its after-effects as explained above. However, Packaging revenue increased by 0.3% to RM75.878 million mainly due to slightly higher sale orders received.

PBT of the Group for the financial period before gain on disposal of property dropped by 43.3% to RM66.062 million as compared to RM116.535 million in last YTD.

After accounting for the gain on disposal of property of RM16.889 million, PBT of the Group for the financial period was RM82.951 million, a decrease by 32.9% from RM123.685 million in last YTD.

Garment PBT for the financial period before gain on disposal of property decreased by 39.3% to RM66.670 million as compared to RM109.747 million in last YTD mainly due to lower revenue, and the impact of Covid-19 lockdown / movement restrictions and the related after-effects as explained above. Garment PBT for the financial period after accounting for gain on disposal of property dropped by 24.3% to RM83.559 million.

Packaging PBT decreased by 104.9% mainly due to the loss resulting from flood damage and higher packaging raw material costs and the impact of Covid-19 lockdown / movement restrictions.

12) Variation of Results of Q3-FYR 2022 vs Preceding Quarter (Q2-FYR 2022)

	Q3-FYR 2022	Q2-FYR 2022	
	RM'000	RM'000	%
Revenue	312,829	112,258	178.7%
Profit from operations	33,215	401	8183.0%
PBT (before gain on disposal of property)	34,871	3,327	948.1%
PBT (after gain on disposal of property)	34,871	20,216	72.5%
PAT	26,675	17,079	56.2%

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

Revenue for Q3-FYR 2022 increased by 178.7% to RM312.829 million from RM112.258 in Q2-FYR 2022.

Garment revenue for Q3-FYR 2022 increased by 237.0% to RM286.696 million from RM85.061 million in Q2-FYR 2022 mainly due to weak revenue in the preceding Q2-FYR 2022 arising from the suspension of Vietnam garment operations in Q2-FYR 2022 due to strict lockdown as explained in note 11 above.

Packaging revenue for Q3-FYR 2022 decreased by 3.9% to RM26.133 million mainly due to the flood that affected the operations in our packaging factory in December 2021.

PBT of the group for Q3-FYR 2022 increased by 948.1% to RM34.871 million as compared to PBT (before gain on disposal of property) of RM3.327 million in Q2-FYR 2022.

PBT of the group for Q3-FYR 2022 increased by 72.5% as compared to PBT (after gain on disposal of property) of RM20.216 million in Q2-FYR 2022.

Garment PBT for Q3-FYR 2022 before gain on disposal of property increased by 1,487.1% to RM37.122 million as compared to Q2-FYR 2022 of RM2.339 million mainly due to the suspension of Vietnam garment operations in the preceding Q2-FYR 2022 resulting from the strict lockdown then. After accounting for the gain on disposal of property, Garment PBT for Q3-FYR 2022 increased by 93.1% to RM37.122 million. There was a gain on disposal of property from Garment segment in Q2-FYR 2022 amounting to RM16.889 million (Q3-FYR 2022 : nil).

Packaging PBT for Q3-FYR 2022 dropped by 284.3% mainly due to loss on damage resulting from the flood.

13) Future prospects

Currently over 95% of our Vietnam garment workforce has been fully vaccinated with double doses of Covid-19 vaccines, and the production capacity has reached 93% following the suspension of the operations / strict lockdown during the 2.5 months ending on 30 September 2021 as stated in Note 11 above.

In view of unpredictable threat of Covid-19 Omicron variant, the financial performance of the Group for the remaining quarter of FYR 2022 is expected to be more challenging than that of the equivalent quarter of FYR 2021.

14) Tax expense

The tax expenses for Q3-FYR 2022 or financial period are made up as follows :

	Q3-FYR 2022 RM'000	Financial period RM'000
(a) Provision for current tax	9,181	16,360
Overprovision in prior year	(991)	(991)
Deferred tax	6	(612)
	<u>8,196</u>	<u>14,757</u>
(b) Tax arising from disposal of property		
Real property gain tax	-	2,069
Balancing Charge (Reversal of capital allowance previously claimed on property disposed of)	-	1,325
	<u>-</u>	<u>3,394</u>
Total tax expense	<u>8,196</u>	<u>18,151</u>

The Group's effective tax rates for both (i) Q3-FYR 2022 and (ii) financial period were lower than the Malaysian statutory tax rate of 24% mainly due to (i) overprovision of tax in prior year, and (ii) certain tax-exempt income earned during the period respectively.

15) Profit forecast or profit guarantee

There was no profit forecast made in any public document and no profit guarantee was received during the financial period.

16) Corporate proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

17) Group borrowings and debts securities

The Group has no borrowings and debt securities as at the financial period.

18) Material litigation

There were no material litigations during the financial period.

19) Contingent liabilities

There were no material changes in contingent liabilities since the end of the last annual reporting date as at 30 April 2021.

20) Capital commitments

There was capital expenditure of RM1.063 million mainly in respect of the acquisition of machine and equipments (last annual reporting date : RM4.088 million).

21) Earnings per share (EPS)

The basic EPS has been calculated by dividing the Group's profit attributable to owners of the Company by the weighted average no. of ordinary shares in issue with voting rights :

		Financial periods			
		Q3-FYR 2022	Q3-FYR 2021	to 31-1-2022	to 31-1-2021
Profit attributable to owners of the Company	(RM'000)	26,675	48,953	64,800	96,544
Weighted average of no. of issued shares with voting rights at end		433,451	433,751	433,451	433,751
Basic EPS	(Sen)	6.15	11.29	14.95	22.26

There is no diluted EPS as the Company does not have any convertible financial instruments as at the end of the financial period.

22) Dividend Declared	Dividend Per Share		Payout Ratio		Dividend Amount	
	FYR 2022	FYR 2021	FYR 2022	FYR 2021	FYR 2022	FYR 2021
					RM'000	RM'000
Q1 - Single tier ("ST") interim dividend	-	2.0 Sen	-	32.4%	-	8,669
Q2 - ST interim dividend (N1)	2.0 Sen	1.8 Sen	50.8%	37.4%	8,669	7,802
Q3 - ST interim dividend (N2)	2.0 Sen	3.5 Sen	32.5%	31.0%	8,669	15,171
- ST special dividend	-	1.0 Sen	-	8.8%	-	4,334
Total YTD Dividends	4.0 Sen	8.3 Sen	26.8%	37.3%	17,338	35,976

(N1) The dividend declared for Q2-FYR 2022 was known as ST interim dividend while that for Q2-FYR 2021 was numbered as 2nd ST interim dividend.

(N2) The dividend declared for Q3-FYR 2022 is numbered as 2nd ST interim dividend while that for Q3-FYR 2021 was 3rd ST interim dividend.

The entitlement and payment dates for 2nd interim dividend of 2 Sen per share are fixed on 5 April 2022 and 18 April 2022 respectively.

23) Profit before tax

PBT is arrived at after charging/(crediting) the following items :-	Financial period			
	Q3-FYR 2022	Q3-FYR 2021	to 31-1-2022	to 31-1-2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,432)	(304)	(3,122)	(1,021)
Dividend income	(331)	(4,252)	(3,253)	(6,453)
Fair value loss/(gain) on investment securities	-	(16)	3	47
(Gain)/loss on disposal of investment securities	(10)	-	(275)	(1)
Depreciation and amortisation	1,427	1,579	4,275	4,740
Net unrealised (gain)/loss on foreign exchange	(911)	1,636	112	1,229
Net realised (gain)/loss on foreign exchange	461	(61)	(1,678)	2,171
Net (gain)/loss on foreign exchange - all segments	(450)	1,575	(1,566)	3,400

Notes to the Financial Report For the Third Quarter Ended 31 January 2022 ("Q3-FYR 2022")

23) Profit before tax (Cont'd)

	Financial period			
	Q3-FYR 2022	Q3-FYR 2021	to 31-1-2022	to 31-1-2021
PBT is arrived at after charging/(crediting) the following items :-	RM'000	RM'000	RM'000	RM'000
Gain on disposal of properties, plant and equipment	(1)	(7,031)	(16,948)	(7,420)
Bad debts written off	-	-	-	-
Reversal of impairment loss on trade receivables	-	-	-	-
Property, plant and equipment written off	-	-	2	9
Loss due to damage from flood	3,767	-	3,767	-
Preliminary insurance claim received on damage from flood	(1,000)	-	(1,000)	-
(Gain)/loss on derivatives/exceptional items	-	-	-	-

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

Date : 18 March 2022