

Condensed Consolidated Statement of Income and Other Comprehensive Income
For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

	Q2-FYR 2023 RM'000	Q2-FYR 2022 RM'000	Changes %	Financial Period - first 6 Months		Changes %
				to 31-10-2022 RM'000	to 31-10-2021 RM'000	
Revenue	343,038	112,258	205.6%	683,944	417,824	63.7%
Operating expenses	(316,662)	(112,304)	182.0%	(629,908)	(392,601)	60.4%
Other operating income						
Gain on foreign exchange	2,058	311	561.7%	3,001	1,116	168.9%
Others	2,280	136	1576%	2,494	197	1166%
Profit from operations	30,714	401	7559.4%	59,531	26,536	124.3%
Investment related income	2,481	3,007	-17.5%	5,779	4,874	18.6%
Finance costs	(121)	(81)	49.4%	(249)	(219)	13.7%
Profit before tax [Before gain on disposal of property]	33,074	3,327	894.1%	65,061	31,191	108.6%
Gain on disposal of property [Before real property gain tax, etc.]	-	16,889		-	16,889	
Profit before tax [After gain on disposal of property]	33,074	20,216	63.6%	65,061	48,080	35.3%
Tax expense	(8,090)	(3,137)	157.9%	(16,051)	(9,955)	61.2%
Profit for the period	24,984	17,079	46.3%	49,010	38,125	28.6%
Profit attributable to :						
Owners of the Company	24,984	17,079	46.3%	49,010	38,125	28.6%
Non-controlling interests	-	-		-	-	
	24,984	17,079	46.3%	49,010	38,125	28.6%
Basic / diluted earnings per share (Sen)	5.76	3.94	46.2%	11.31	8.80	28.5%
Dividends per share (Sen)						
- Interim dividend (Q1)	N/A	-		2.20	-	
- Interim dividend (Q2)	2.30	2.00		2.30	2.00	
Total for the period	2.30	2.00		4.50	2.00	

Condensed Consolidated Statement of Financial Position as at 31 October 2022

ASSETS	Unaudited @ 31-10-2022	Audited @ 30-4-2022
Non-current assets	RM'000	RM'000
Property, plant and equipment	57,112	58,328
Investment properties	1,048	1,058
Investment securities - Unquoted shares	24,609	24,609
	<u>82,769</u>	<u>83,995</u>
Current assets		
Inventories	227,137	267,034
Receivables	135,293	111,697
Investment securities - Money market unit trusts	3,691	3,652
Bank deposits and cash balances	444,906	397,783
	<u>811,027</u>	<u>780,166</u>
TOTAL ASSETS	<u>893,796</u>	<u>864,161</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	216,975	216,975
Reserves	574,525	545,887
Treasury shares	<u>(686)</u>	<u>(686)</u>
Net equity funds	790,814	762,176
Non-controlling Interests	<u>26</u>	<u>26</u>
Total equity	<u>790,840</u>	<u>762,202</u>
Non-current liability		
Deferred tax liabilities	<u>5,479</u>	<u>5,730</u>
Current liabilities		
Payables	90,669	92,864
Current tax liabilities	6,808	3,365
	<u>97,477</u>	<u>96,229</u>
Total liabilities	<u>102,956</u>	<u>101,959</u>
TOTAL EQUITY AND LIABILITIES	<u>893,796</u>	<u>864,161</u>
Net assets per share (RM)	1.82	1.76

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 Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")**

	- - - - Attributable to Owners of the Parent Company - - - -							
	Share Capital	Treasury Shares	Fair Value Reserve	Distributable Retained Profits	Total Reserves	Net Equity Funds	Non controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>For the financial period to 31 October 2022</u>								
Balance as at 1 May 2022	216,975	(686)	6,789	539,098	545,887	762,176	26	762,202
Profit for the period	-	-	-	49,010	49,010	49,010	-	49,010
Total comprehensive Income	-	-	-	49,010	49,010	49,010	-	49,010
<u>Transaction with owners</u>								
Dividend in respect of FYR 2022	-	-	-	(10,836)	(10,836)	(10,836)	-	(10,836)
Dividend in respect of FYR 2023	-	-	-	(9,536)	(9,536)	(9,536)	-	(9,536)
Balance as at 31 October 2022	<u>216,975</u>	<u>(686)</u>	<u>6,789</u>	<u>567,736</u>	<u>574,525</u>	<u>790,814</u>	<u>26</u>	<u>790,840</u>
(^) Available-for-sale								
<u>For the financial period to 31 October 2021</u>								
Balance as at 1 May 2021	216,975	(686)	-	476,881	476,881	693,170	26	693,196
Profit for the period	-	-	-	38,125	38,125	38,125	-	38,125
Total comprehensive Income	-	-	-	38,125	38,125	38,125	-	38,125
<u>Transaction with Owners</u>								
Dividend in respect of FYR 2021	-	-	-	(12,137)	(12,137)	(12,137)	-	(12,137)
Balance as at 31 October 2021	<u>216,975</u>	<u>(686)</u>	<u>-</u>	<u>502,869</u>	<u>502,869</u>	<u>719,158</u>	<u>26</u>	<u>719,184</u>

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

Condensed Consolidated Statement of Cash Flows
For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

	Unaudited 31-10-2022 RM'000	Unaudited 31-10-2021 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	65,061	48,080
Adjustments for :		
Depreciation	2,860	2,848
Dividend income	(947)	(2,922)
Gain on disposal of properties, plant and equipment	(152)	(16,947)
Interest income	(4,832)	(1,690)
Property, plant and equipment written off	1	2
Net unrealised loss on foreign exchange	672	1,023
Operating profit before working capital changes	62,663	30,394
Decrease/(Increase) in inventories	39,897	(38,728)
(Increase)/Decrease in receivables	(23,214)	30,603
(Decrease)/Increase in payables	(3,246)	23,685
Cash generated from operations	76,100	45,954
Net income tax paid	(12,860)	(13,533)
Net cash from operating activities	63,240	32,421
<u>Cash flows from investing activities</u>		
Net dividends received	947	2,922
Interest received	4,832	1,690
Proceeds from disposal of property, plant and equipment	156	23,066
Purchase of plant and equipment	(1,641)	(2,161)
Placement of fixed deposits	(23,330)	(159,120)
Net cash used in investing activities	(19,036)	(133,603)
<u>Cash flows from financing activities</u>		
Dividends paid to shareholders of the Company	(20,372)	(12,137)
Net cash used in financial activities	(20,372)	(12,137)
Net increase/ (decrease) in cash and cash equivalents	23,832	(113,319)
Effects of changes in exchange rates on cash and cash equivalents	-	(1)
Cash and cash equivalents at beginning	86,825	308,953
Cash and cash equivalents at end	110,657	195,633
Cash and cash equivalents comprise the followings :-		
Investment in money market funds	3,691	123,683
Fixed deposits with licensed banks	440,339	260,256
Cash and bank balances	4,567	2,804
	448,597	386,743
Less : Fixed deposits with maturity more than three months	(337,940)	(191,110)
	110,657	195,633

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.

For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

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 2022 ("FYR 2022"). 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 2022.

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 2022. 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 2022.

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 2022 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 first six months ended 31 October 2022 ("financial period").

5) Material changes in estimates

There were no material changes in the estimates of amounts reported in the second quarter ended 31 October 2022 ("Q2-FYR 2023").

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 2022 / 31 October 2022	<u>500</u>	<u>1.37</u>	<u>686</u>

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 October 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 2022: 433,450,579 ordinary shares).

8) Dividend paid

The interim dividend of 2.2 Sen per share for Q1-FYR 2023 of RM9.536 million was paid on 12 October 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 requires disclosure.

For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

10) Segment information

	Financial period	
	RM'000	%
<u>Revenue</u>		
Garment manufacturing	630,937	92.2%
Packaging	53,007	7.8%
Total revenue - external	<u>683,944</u>	<u>100.0%</u>
<u>Results</u>	RM'000	
Garment manufacturing	57,009	
Packaging manufacturing and miscellaneous	<u>3,028</u>	
	60,037	
Unallocated corporate expenses	<u>(506)</u>	
Profit from operations	59,531	
Investment related Income :		
Dividend income	947	
Interest income	<u>4,832</u>	
	5,779	
Finance costs (Non-interest)	<u>(249)</u>	
Profit before tax ("PBT")	65,061	
Taxation expenses	<u>(16,051)</u>	
Net profit after tax ("PAT")	<u>49,010</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 92.2% 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:

	Q2-FYR 2023	Q2-FYR 2022	%	Financial period	Financial period	%
	RM'000	RM'000		to 31-10-2023	to 31-10-2022	
Revenue	<u>343,038</u>	<u>112,258</u>	205.6%	<u>683,944</u>	<u>417,824</u>	63.7%
Profit from operations	<u>30,714</u>	<u>401</u>	7559.4%	<u>59,531</u>	<u>26,536</u>	124.3%
PBT (before gain on disposal of property)	<u>33,074</u>	<u>3,327</u>	894.1%	<u>65,061</u>	<u>31,191</u>	108.6%
PBT (after gain on disposal of property)	<u>33,074</u>	<u>20,216</u>	63.6%	<u>65,061</u>	<u>48,080</u>	35.3%
PAT	<u>24,984</u>	<u>17,079</u>	46.3%	<u>49,010</u>	<u>38,125</u>	28.6%

Q2-FYR 2023 vs Preceding Year Corresponding Quarter (Q2-FYR 2022)

Revenue for Q2-FYR 2023 increased substantially by 205.6% to RM343.038 million versus Q2-FYR 2022.

Garment revenue for Q2-FYR 2023 increased by 271.0% to RM315.586 million from RM85.061 million mainly due to the recovery in sale orders received as compared to weak revenue in Q2-FYR 2022 due to the strict Covid-19 lockdown in Vietnam which ended at the end of September 2021.

For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

Packaging revenue for Q2-FYR 2023 increased marginally by 0.9% to RM27.452 million from RM27.197 million in Q2-FYR 2022 mainly due to higher sale orders received.

PBT for Q2-FYR 2023 show a hefty increase by 894.1% to RM33.074 million as compared to RM3.327 million (before gain on disposal of property RM16.889 million) in Q2-FYR 2022.

Garment PBT for Q2-FYR 2023 increased by 1,237.3% to RM31.279 million as compared to Q2-FYR 2022 mainly due to higher revenue as explained above and higher forex gain by RM1.760 million.

Packaging PBT for Q2-FYR 2023 increased by 72.0% mainly due to higher revenue and insurance claim on damage from flood of RM2.186 million.

Financial Period vs Last Year to date (Last YTD)

Revenue of the Group for the financial period increased significantly by 63.7% to RM683.944 million as compared to RM417.824 million in Last YTD.

Segment wise, garment revenue for the financial period increased by 71.4% from RM368.079 million to RM630.937 million mainly due to recovery in sales orders received as compared to the soft revenue in Last YTD resulting from the strick Covid-19 lockdown in Vietnam from 19 July 2021 to 30 September 2021.

Packaging revenue increased by 6.6% to RM53.007 million mainly due to higher sale orders received.

PBT for the financial period show a hefty increase by 108.6% to RM65.061 million as compared to RM31.191 million (before gain on disposal of property RM16.889 million) in Last YTD.

Garment PBT for the financial period increased by 109.4% to RM61.874 million as compared to RM29.548 million (before gain on disposal of properties) of last YTD mainly due to higher revenue as explained above.

Packaging PBT Increased significantly by 81.5% mainly due to higher revenue and other income from insurance claim received on damage from flood of RM2.186 million.

12) Variation of Results of Q2-FYR 2023 vs Preceding Quarter (Q1-FYR 2023)

	Q2-FYR 2023	Q1-FYR 2023	
	RM'000	RM'000	%
Revenue	343,038	340,906	0.6%
Profit from operations	30,714	28,817	6.6%
PBT	33,074	31,987	3.4%
PAT	24,984	24,026	4.0%

Revenue for Q2-FYR 2023 increased marginally by 0.6% to RM343.038 million from RM340.906 million in Q1-FYR 2023.

Garment revenue for Q2-FYR 2023 increased marginally by 0.1% to RM315.586 million from RM315.351 million in Q1-FYR 2023 mainly due to higher sale orders received.

Packaging revenue for Q2-FYR 2023 increased by 7.4% to RM27.452 million mainly due to higher sale orders received.

PBT of the group for Q2-FYR 2023 Increased by 3.4% to RM33.074 million as compared to RM31.987 million in Q1-FYR 2023.

Garment PBT for Q2-FYR 2023 increased by 2.2% to RM31.279 million mainly due lower operating cost and higher gain on forex by RM1.117 million.

Packaging PBT for Q2-FYR 2023 increased significantly by 59.0% mainly due to higher revenue in Q2-FYR 2023, and insurance claim received on damage from flood of RM2.186 million.

For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

13) Future prospects

The outlook for the global economy is still cloudy going forward, with the cost-of-living crisis, tightening monetary policy by central banks in most regions, Russia's invasion of Ukraine, the lingering COVID-19 pandemic, and subdued consumer sentiment and spending.

While efforts are continuously made to improve the Group's business operations and performance, the Group remains cautious over the business outlook and financial performance of the Group for the remaining quarters of FYR 2023.

14) Tax expense

The tax expenses for Q2-FYR 2023 or financial period are made up as follows :

	Q2-FYR 2023	Financial period
	RM'000	RM'000
(a) Provision for current tax	8,097	16,302
Deferred tax	<u>(7)</u>	<u>(251)</u>
	<u>8,090</u>	<u>16,051</u>

The Group's effective tax rates for both Q2-FYR 2023 and financial period were slightly higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses being disallowed for tax deduction.

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.

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 2022.

20) Capital commitments

There was a capital commitment of RM0.789 million as at the financial period in respect of the acquisition of equipments (last annual reporting date: RM0.229 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 :

		Q2-FYR 2023	Q2-FYR 2022	Financial periods	
		<u> </u>	<u> </u>	to 31-10-2022	to 31-10-2021
Profit attributable to owners of the Company	(RM'000)	24,984	17,079	49,010	38,125
Weighted average of no. of issued shares with voting rights at end		<u>433,451</u>	<u>433,451</u>	<u>433,451</u>	<u>433,451</u>
Basic EPS	(Sen)	5.76	3.94	11.31	8.80

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

For the Second Quarter Ended 31 October 2022 ("Q2-FYR 2023")

22) Dividend Declared

	Dividend Per Share		Payout Ratio		Dividend Amount	
	FYR 2023	FYR 2022	FYR 2023	FYR 2022	FYR 2023	FYR 2022
					RM'000	RM'000
Q1 - Single tier interim dividend	2.2 Sen	-	39.7%	-	9,536	-
Q2 - 2nd single tier interim dividend*	2.3 Sen	2.0 Sen	39.9%	50.8%	9,969	8,669
	4.5 Sen	2.0 Sen	39.8%	22.7%	19,505	8,669

*The entitlement and payment dates of the interim dividend of 2.3 Sen per share for Q2-FYR 2023 are fixed on 28 December 2022 and 11 January 2023 respectively.

23) Profit before tax	Financial period			
	Q2-FYR 2023 RM'000	Q2-FYR 2022 RM'000	to 31-10-2022 RM'000	to 31-10-2021 RM'000
PBT is arrived at after charging/(crediting) the following items :-				
Interest income	(2,457)	(1,081)	(4,832)	(1,690)
Dividend income	(24)	(1,926)	(947)	(2,922)
Fair value loss/(gain) on investment securities	-	-	-	3
Gain on disposal of investment securities	-	-	-	(265)
Depreciation and amortisation	1,418	1,454	2,860	2,848
Net unrealised loss on foreign exchange	(19)	275	672	1,023
Net realised gain on foreign exchange	(2,039)	(586)	(3,673)	(2,139)
Net gain on foreign exchange - all segments	(2,058)	(311)	(3,001)	(1,116)
Gain on disposal of properties, plant and equipment	-	(16,947)	(152)	(16,947)
Property, plant and equipment written off	1	1	1	2
Loss due to damage from flood	-	-	24	-
Preliminary insurance claim received on damage from flood	2,186	-	2,186	-
Allowance for doubtful debts	36	-	36	-
Bad debts written off	-	-	-	-
Reversal of impairment loss on trade receivables	-	-	-	-
(Gain) / loss on derivatives / exceptional items	-	-	-	-

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

Date: 12 December 2022