

Quarterly Report on consolidated results for the first financial quarter ended 30th September 2019

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 The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2019 RM'000	Quarter Ended 30.09.2018 RM'000	Year To Date Ended 30.09.2019 RM'000	Year To Date Ended 30.09.2018 RM'000
Revenue	531,842	620,098	531,842	620,098
Cost of Sales	<u>(502,699)</u>	<u>(592,198)</u>	<u>(502,699)</u>	<u>(592,198)</u>
Gross Profit	29,143	27,900	29,143	27,900
Other Operating Income	2,725	6,963	2,725	6,963
Selling and Distribution Costs	(3,756)	(3,800)	(3,756)	(3,800)
Administrative Expenses	(14,808)	(10,426)	(14,808)	(10,426)
Other Expenses	2,099	(8,302)	2,099	(8,302)
Finance Costs	<u>(1,870)</u>	<u>(3,015)</u>	<u>(1,870)</u>	<u>(3,015)</u>
Profit Before Tax	13,533	9,320	13,533	9,320
Tax Expense	<u>(1,512)</u>	<u>(1,682)</u>	<u>(1,512)</u>	<u>(1,682)</u>
Profit for the Period	12,021	7,638	12,021	7,638
Other Comprehensive Income, net of tax	<u>70</u>	<u>1</u>	<u>70</u>	<u>1</u>
Total Comprehensive Income	<u>12,091</u>	<u>7,639</u>	<u>12,091</u>	<u>7,639</u>
Profit Attributable to :				
Owners of the parent	8,641	5,466	8,641	5,466
Non-Controlling Interest	<u>3,380</u>	<u>2,172</u>	<u>3,380</u>	<u>2,172</u>
	<u>12,021</u>	<u>7,638</u>	<u>12,021</u>	<u>7,638</u>
Basic earnings per share attributable to equity holders of the Company (sen)	<u>5.33</u>	<u>3.37</u>	<u>5.33</u>	<u>3.37</u>
Total Comprehensive Income Attributable to:				
Owners of the parent	8,738	5,482	8,738	5,482
Non-Controlling Interest	<u>3,353</u>	<u>2,157</u>	<u>3,353</u>	<u>2,157</u>
	<u>12,091</u>	<u>7,639</u>	<u>12,091</u>	<u>7,639</u>

The Condensed Consolidated Statement of Profits or Loss and Other Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.09.2019 RM'000	Audited as at 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	88,709	84,951
Intangible Assets	11,261	11,261
Other Investment	10	10
	<u>99,980</u>	<u>96,222</u>
Current Assets		
Inventories	50,143	46,327
Trade Receivables	303,803	287,268
Other Receivables	23,472	16,407
Current Tax Assets	3,344	5,889
Derivative Assets	2,948	1,711
Deposits With Licensed Banks	25,000	23,700
Short Term Funds	27,186	-
Cash and Bank Balances	72,842	96,445
	<u>508,738</u>	<u>477,747</u>
TOTAL ASSETS	<u><u>608,718</u></u>	<u><u>573,969</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	95,147	95,147
Reserves	123,928	115,245
	<u>219,075</u>	<u>210,392</u>
Non-Controlling Interests	35,141	31,733
Total Equity	<u>254,216</u>	<u>242,125</u>
Non-Current Liabilities		
Long Term Loans	13,346	14,616
Hire Purchase Creditors	2,063	2,093
Retirement Benefit Obligations	522	500
Deferred Tax Liabilities	1,125	1,145
	<u>17,056</u>	<u>18,354</u>
Current Liabilities		
Trade Payables	83,105	82,759
Other Payables	49,199	39,375
Derivative Liabilities	3,523	5,330
Hire Purchase Creditors	1,444	1,461
Bank Borrowings	198,710	183,887
Current Tax Liabilities	1,465	678
	<u>337,446</u>	<u>313,490</u>
Total Liabilities	<u>354,502</u>	<u>331,844</u>
TOTAL EQUITY AND LIABILITIES	<u><u>608,718</u></u>	<u><u>573,969</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.35	1.30

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non- Distributable	Distributable	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Foreign Exchange Reserve RM'000	Retained Earnings RM'000			
3 months ended 30th September 2019						
At 1st July 2019	95,147	39	115,206	210,392	31,733	242,125
Profit For The Period	-	-	8,641	8,641	3,380	12,021
Foreign Currency Translation	-	42	-	42	28	70
Total Comprehensive Income	-	42	8,641	8,683	3,408	12,091
At 30th September 2019	95,147	81	123,847	219,075	35,141	254,216
3 months ended 30th September 2018						
At 1st July 2018	95,147	18	115,988	211,153	29,732	240,885
Profit For The Period	-	-	5,466	5,466	2,172	7,638
Foreign Currency Translation	-	16	-	16	(15)	1
Total Comprehensive Income	-	16	5,466	5,482	2,157	7,639
At 30th September 2018	95,147	34	121,454	216,635	31,889	248,524

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.09.2019 RM'000	Corresponding Year To Date Ended 30.09.2018 RM'000
Profit Before Taxation	13,533	9,320
Adjustment for :-		
Non-Cash Items	3,605	5,711
Non-Operating Items	(3,044)	7,025
Operating Profit Before Working Capital Changes	14,094	22,056
Changes in Working Capital		
Net Change in Current Assets	(26,797)	(46,384)
Net Change in Current Liabilities	10,171	6,671
Cash Used In Operating Activities	(2,532)	(17,657)
Tax Refund/(Paid)	1,800	(1,989)
Interest Paid	(1,870)	(3,015)
Net Cash Used In Operating Activities	(2,602)	(22,661)
Investing Activities		
Purchase of Property, Plant and Equipment	(6,390)	(1,858)
Interest Received	306	411
Proceeds from Sale of Property, Plant and Equipment	-	26
Net Cash Used In Investing Activities	(6,084)	(1,421)
Financing Activities		
Repayments of Borrowings	13,709	31,457
Net Cash From Financing Activities	13,709	31,457
Net Increase in Cash and Cash Equivalents	5,023	7,375
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	62	16
Cash and Cash Equivalents at beginning of financial year	99,826	120,327
Cash and Cash Equivalents at end of financial period	104,911	127,718
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	25,000	31,050
Short Term Funds	27,186	27,171
Cash and Bank Balances	72,842	76,657
Bank Overdrafts	(117)	(60)
	124,911	134,818
Less: Deposits with maturity more than three months	(20,000)	(7,100)
	104,911	127,718

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2019 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
A1 Basis of Preparation

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2019. The explanatory notes attached to the condensed consolidated 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 30th June 2019.

A2 Audit Report of the Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30th June 2019 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The Group's business operations are affected by macroeconomic cycles.

A4 Nature and Amount of Unusual Items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A5 Nature and Amount of Changes in Estimates

There were no significant changes in estimates of amounts reported in prior quarter that have a material impact on the current financial quarter.

A6 Debt and Equity Securities

The Group was not involved in any issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7 Dividend Paid

There was no dividend paid in the current quarter ended 30th September 2019.

A8 Segment Information

For management purposes, the Group is organized into three major business segments, namely edible oil products, tapware and sanitary ware and investments holdings/others. Inter-segment transactions are entered into in the normal course of business and are based on negotiated and mutually agreed terms.

	3 months ended 30th September 2019			
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	524,672	7,170	-	531,842
Operating Profit/(Loss)	16,481	83	(1,161)	15,403
Profit/(Loss) Before Tax	14,628	74	(1,169)	13,533
Segments assets				
Total Assets	521,151	32,847	54,720	608,718

	3 months ended 30th September 2018			
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	610,469	9,629	-	620,098
Operating Profit/(Loss)	12,845	280	(790)	12,335
Profit/(Loss) Before Tax	9,847	268	(795)	9,320
Segments assets				
Total Assets	540,313	35,218	61,812	637,343

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

A9 Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the annual financial report for the financial year ended 30th June 2019.

A10 Subsequent Material Events

As at the date of this report, there was no material event subsequent to the statement of financial position date that affect the results of the Group for the financial year todate.

A11 Changes in the Composition of the Group

There were no new corporate proposals during the current financial quarter under review.

A12 Changes in Contingent Liabilities

The contingent liabilities of the Company are as follows:-

	As at 30.09.2019 RM'000
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>212,056</u>
(ii) Hire purchase and lease facilities granted to subsidiaries	<u>-</u>

A13 Capital Commitments

	As at 30.09.2019 RM'000
Authorised and contracted for	<u>6,380</u>
Authorised but not contracted for	<u>15,191</u>

**ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
B1 Review of Performance

The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is tabled below:-

Description	Current Quarter				Cumulative Quarter			
	1st Qtr 2020 RM'000	1st Qtr 2019 RM'000	Changes RM'000	Variance %	1st Qtr 2020 RM'000	1st Qtr 2019 RM'000	Changes RM'000	Variance %
Revenue	531,842	620,098	(88,256)	-14%	531,842	620,098	(88,256)	-14%
Operating Profit	15,403	12,335	3,068	25%	15,403	12,335	3,068	25%
Profit before tax	13,533	9,320	4,213	45%	13,533	9,320	4,213	45%
Profit after tax	12,021	7,638	4,383	57%	12,021	7,638	4,383	57%

For the current quarter, the Group recorded revenue of RM531.84 million, a decrease of 14% compared to revenue of RM620.10 million recorded in the corresponding quarter last year. The lower revenue for this quarter is mainly due to lower average olein prices and lower total FCLs exported when compared to the corresponding quarter of last year.

Operating margins improved due to increased direct sales of 48% to 63% of total sales in this quarter as compared to toll packing sales from last year's corresponding quarter.

B2 Variation of Results Against Preceding Quarter

Description	1st Qtr 2020 RM'000	4th Qtr 2019 RM'000	Changes RM'000	Variance %
Revenue	531,842	432,812	99,030	23%
Operating Profit	15,403	9,432	5,971	63%
Profit before tax	13,533	6,551	6,982	107%
Profit after tax	12,021	4,882	7,139	146%

For the current quarter, revenue increased by 23% as compared to the preceding quarter due to higher exports of FCLs and a slight increase in average olein prices for this quarter.

Operating margins improved due to increased direct sales of 47% to 63% of total sales in this quarter as compared to toll packing sales from the preceding quarter.

B3 Current Year Prospects

The Group will continue with its expansion plans for revenue growth for its edible oil operations and with smart partnership tie-up with property developers for the tapware and sanitary ware divisions to enhance shareholders' value.

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Tax Expense

Taxation for continuing operations comprises:

	Quarter Ended		Year To Date Ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Taxation comprises:-				
- Income Tax				
Current Period	1,531	1,672	1,531	1,672
- Deferred Tax	(19)	10	(19)	10
	<u>1,512</u>	<u>1,682</u>	<u>1,512</u>	<u>1,682</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate mainly due to the impact on reduced tax by a subsidiary which obtained approval for a tax incentive scheme.

ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B6 Corporate Proposal

There were no new corporate proposals during the current financial quarter under review.

B7 Bank Borrowings

Details of the Group's bank borrowings as at 30th September 2019 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	198,710	-	198,710
Non-Current	13,346	-	13,346
	<u>212,056</u>	<u>-</u>	<u>212,056</u>

B8 Derivative Financial Instruments

The derivative forward currency contracts were entered into with the objective of managing the Group's exposure to currency risk for receivables which are denominated in a currency other than the functional currency of the Group.

The derivatives below are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently re-measured at fair value through profit or loss to the financial statements. The resulting gain or loss from re-measurement is recognised in profit or loss to the financial statements.

The details of the foreign currency forward contracts are as follows:-

Type of Derivatives	Quarter Ended	
	30.09.2019 RM'000	30.09.2018 RM'000
Forward Contracts		
Less than 1 year		
Contract/Notional Value	611,356	569,852
Fair Value	(575)	(7,823)

There have been no changes in the types of derivative financial contracts entered into and the rationale for entering into such contracts since the end of the financial year ended 30th June 2019 and the risk management policies in place for mitigating or controlling the risk associated with the derivatives.

B9 Material Litigation

There are no litigation proceedings by or against the Group.

B10 Dividend

The Board of Directors do not recommend any dividend for the period ended 30th September 2019.

B11 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit attributable to equity holders of the Company (RM'000)	8,641	5,466	8,641	5,466
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	5.33	3.37	5.33	3.37