

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarter ended 31 December 2018
(The figures have not been audited)

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2017 RM'000	CURRENT PERIOD TO-DATE 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 31/12/2017 RM'000
Revenue	80,978	75,061	221,499	215,087
Cost of sales	(63,515)	(60,006)	(180,863)	(170,665)
Gross Profit	17,463	15,055	40,636	44,422
Other operating income/(expense)	150	(1,290)	2,611	(2,624)
Selling & distribution costs	(3,861)	(7,733)	(11,894)	(20,411)
Administrative expenses	(6,207)	(4,396)	(15,756)	(11,577)
Finance costs	(239)	(227)	(739)	(532)
Profit before tax	7,306	1,409	14,858	9,278
Tax expense	(2,187)	1,923	(3,934)	1,652
Profit net of tax, for the period	5,119	3,332	10,924	10,930
Other comprehensive income				
Gain on equity instruments	1,463	-	1,717	-
Other comprehensive income for the period	1,463	-	1,717	-
Total comprehensive income for the period	6,582	3,332	12,641	10,930
Total Profit Attributable to :				
Owners of the parent	5,119	3,332	10,924	10,934
Non-controlling interest	-	-	-	(4)
	5,119	3,332	10,924	10,930
Total Comprehensive Income Attributable to :				
Owners of the parent	9,506	3,332	12,641	10,934
Non-controlling interest	-	-	-	(4)
	9,506	3,332	12,641	10,930
Earnings per share (Note B 15)				
- Basic (Sen)	2.13	1.39	4.55	4.56
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 Dec 2018 Unaudited RM'000	31 March 2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	137,996	142,919
Investment properties	4,982	5,079
Investment security	2,090	372
Land held for property development	962	962
	<u>146,030</u>	<u>149,332</u>
Current assets		
Inventories	34,915	29,145
Trade and other receivables	65,003	60,304
Other current assets	6,251	3,221
Income tax recoverable	4,019	3,507
Cash and bank balances	8,199	6,101
	<u>118,387</u>	<u>102,278</u>
TOTAL ASSETS	<u>264,417</u>	<u>251,610</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	120,000	120,000
Revaluation reserves	1,717	-
Retained earnings	73,415	64,891
	<u>195,132</u>	<u>184,891</u>
Total equity	<u>195,132</u>	<u>184,891</u>
Non-current liabilities		
Loans and borrowings	8,863	12,606
Deferred tax liabilities	8,679	5,766
	<u>17,542</u>	<u>18,372</u>
Current liabilities		
Trade and other payables	39,184	36,394
Dividend payable	1,200	1,200
Income tax payable	-	-
Loans and borrowings	11,359	10,753
	<u>51,743</u>	<u>48,347</u>
Total liabilities	<u>69,285</u>	<u>66,719</u>
TOTAL EQUITY AND LIABILITIES	<u>264,417</u>	<u>251,610</u>
	-	-
Net assets per share attributable to owners of the Parent (RM) **	0.81	0.77

** Net assets per share is calculated based on total assets (including intangibles) minus total liabilities divided by the total number of ordinary shares in issue as at 31 December 2018.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
 Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the quarter ended 31 December 2018
 (The figures have not been audited)

	Attributable to Owners of the Parent			Total	Non-Controlling Interest	Total Equity
	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
9 months period ended 31 December 2018						
Balance as at 1 April 2018	120,000	-	64,891	184,891	-	184,891
Total comprehensive income for the period	-	1,717	10,924	12,641	-	12,641
Transactions with owners						
Interim dividend for the year ending 31 March 2019	-	-	(1,200)	(1,200)	-	(1,200)
Interim dividend for the year ending 31 March 2019	-	-	(1,200)	(1,200)	-	(1,200)
Total transactions with owners	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 31 December 2018	120,000	1,717	73,415	195,132	-	195,132
9 months period ended 31 December 2017						
Balance as at 1 April 2017	120,000	-	62,088	182,088	648	182,736
Total comprehensive income for the period	-	-	10,934	10,934	(4)	10,930
Transactions with owners						
Additional purchase of shares	-	-	-	-	(644)	(644)
Interim dividend for the year ended 31 March 2017	-	-	(2,400)	(2,400)	-	(2,400)
Interim dividend for the year ended 31 March 2018	-	-	(2,400)	(2,400)	-	(2,400)
Interim dividend for the year ended 31 March 2018	-	-	(2,400)	(2,400)	-	(2,400)
Total transactions with owners	-	-	(7,200)	(7,200)	(644)	(7,844)
Balance as at 31 December 2017	120,000	-	65,822	185,822	-	185,822

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the quarter ended 31 December 2018
 (The figures have not been audited)

	CURRENT PERIOD ENDED 31/12/2018 RM'000	PRECEDING PERIOD ENDED 31/12/2017 RM'000
OPERATING ACTIVITIES		
Profit before tax	14,858	9,278
Adjustments for non cash items	<u>10,585</u>	<u>9,479</u>
	25,443	18,757
Changes in working capital	<u>(9,392)</u>	<u>(12,057)</u>
Net cash generated from operating activities	16,051	6,700
Interest income	11	71
Interest paid	(739)	(532)
Income taxes paid	(1,855)	(3,492)
Income taxes refunded	323	68
Net cash flows from operating activities	<u>13,791</u>	<u>2,815</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,878)	(9,405)
Advances to suppliers of property, plant & equipment	(3,825)	(6,463)
Investment properties	-	(119)
Proceeds from disposal of:		
- property, plant and equipment	113	123
Purchase considerations paid to non-controlling interest	-	(500)
Net cash used in investing activities	<u>(7,590)</u>	<u>(16,364)</u>
FINANCING ACTIVITIES		
Dividends paid on ordinary shares	(1,200)	(7,200)
Drawdown/(repayment) of loans and borrowings	(3,775)	10,175
Net cash (used in)/from financing activities	<u>(4,975)</u>	<u>2,975</u>
Net Change in Cash & Cash Equivalents	1,226	(10,574)
Effect of exchange rate changes on cash and cash equivalents	235	4,001
Cash and Cash Equivalents at beginning of year	2,509	18,996
Cash and Cash Equivalents at end of period	<u>3,970</u>	<u>12,423</u>
Cash and cash equivalents at the end of the financial period comprise the following:	31/12/2018 RM'000	31/12/2017 RM'000
Cash and bank balances	8,199	12,424
Investment in money market fund	(1)	(1)
Bank overdraft	<u>(4,228)</u>	<u>-</u>
	<u>3,970</u>	<u>12,423</u>

Note : There is no non-cash movement in liabilities arising from financing activities for the period ended 31 December 2018.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)
 (Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

A. INFORMATION REQUIRED BY MFRS 134

1. *Basis of Preparation*

The condensed consolidated 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 (“Bursa Malaysia”). These condensed consolidated interim financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. 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 31 March 2018.

2. *Changes in Accounting Policies*

The significant accounting policies and the methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2018, except for the adoption of the following Malaysian Financial Reporting Standards (MFRS), Amendments to MFRS and IC Interpretation for the financial periods beginning on or after 1 April 2018:

- Amendments to MFRS 140 Transfers of Investment Property
- Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 2 Classification and Measurement of Shared-based Payment Transactions
- MFRS 15 Revenue from Contracts with Customers
- Clarifications to MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to MFRS Standards 2014-2016 Cycle

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The three principal classifications categories for financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables (LAR) and available for sale.

As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives.

At the date of initial application on 1 April 2018, the Group had reclassified the financial assets based on existing fact as follow:

	Classification		Carrying amount as at 1 April 2018	
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) RM'000	New (MFRS 9) RM'000
Investment securities	Available-for-sale	FVOCI	372	627
Trade and other receivables	LAR	Amortised cost	60,304	60,304
Cash and bank balances	LAR	Amortised cost	6,101	6,101

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Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018***

MFRS 15 Revenue from Contracts with Customers

Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Upon adoption of MFRS 15, some of the variable considerations which previously were recognised in Selling and Distribution Costs, have been classified as a reduction in revenue in the financial year ending 2019. Please refer to Note 9 for the disclosure of the impact on the Group's revenue.

The Group elected to adopt the modified retrospective method where comparatives will not be restated.

At the date of authorisation of the interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

- MFRS 16 Leases
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- MFRS 17 Insurance Contracts
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Annual Improvements to MFRS Standards 2015-2017 Cycle (Amendments to MFRS 3, 11, 112 & 123)
- Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)
- Amendments to MFRS 2 Share-Based Payment
- Amendment to MFRS 3 Business Combinations
- Amendments to MFRS Business Combinations (Definition of a Business)
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
- Amendments to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 101 and MFRS 108 (Definition of Material)
- Amendments to MFRS 134 Interim Financial Reporting
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendment to IC Interpretation 12 Service Concession Arrangements
- Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets-Web Site Costs

3. *Seasonal or Cyclical Factors*

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

4. *Exceptional / Extraordinary Items*

There were no exceptional / extraordinary items for the financial period under review.

5. *Changes in Estimates*

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current period.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

6. *Debts and Equity Securities*

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial quarter.

7. *Dividend Paid*

An interim single tier dividend of 0.50 sen per share, amounting to RM1,200,000 for the financial year ending 31 March 2019 was approved during the 75th Board of Directors Meeting held on 29 August 2018 and was paid on 12 October 2018.

An interim single tier dividend of 0.50 sen per share, amounting to RM1,200,000 for the financial year ending 31 March 2019 was approved during the 76th Board of Directors Meeting held on 29 November 2018 and was paid on 11 January 2019.

8. *Segment Information*

Management has determined the operating segments based on the reports used to make strategic decisions.

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- i. Manufacturing and marketing of snack food and confectioneries
- ii. Property development
- iii. Investment holding

As the activities of the Group are carried out in Malaysia, segmental reporting by geographical location is not presented.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)
(Incorporated in Malaysia)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

8. Segment information (continued)

	Manufacturing and marketing of snack food confectioneries RM'000	Property development RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Notes	Per condensed consolidated financial statements RM'000
31 December 2018						
Revenue:						
External customers	221,499	-	-	-		221,499
Inter-segment	-	-	-	-	A	-
Total revenue	221,499	-	-	-		221,499
Results:						
Interest income	10	1	-	-		11
Depreciation of:						
- Property, plant and equipment	8,802	-	-	-		8,802
- Investment properties	13	83	-	-		96
Other non-cash expenses	960	-	-	-	B	960
Segment profit/(loss)	14,819	39	1,220	(1,220)	C	14,858
Assets:						
Additions to non-current assets	7,703	-	-	-	D	7,703
Segment assets	257,627	6,690	100	-	E	264,417
Segment liabilities	68,888	57	340	-	F	69,285

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)
(Incorporated in Malaysia)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

8. Segment information (continued)

31 December 2017	Manufacturing and marketing of snack food confectioneries RM'000	Property and development RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Notes	Per condensed financial statements RM'000
Revenue:						
External customers	215,087	-	-	-		215,087
Inter-segment	-	-	8,438	(8,438)	A	-
Total revenue	215,087	-	8,438	(8,438)		215,087
Results:						
Interest income	71	-	-	-		71
Depreciation of:						
- Property, plant and equipment	7,113	-	-	-		7,113
- Investment properties	13	66	-	-		79
Other non-cash income	(1,741)	-	144	-	B	(1,597)
Segment profit	9,230	(96)	8,005	(7,861)	C	9,278
Assets:						
Additions to non-current assets	9,405	-	-	-	D	9,405
Segment assets	245,400	7,769	179	-	E	253,348
Segment liabilities	64,549	296	2,681	-	F	67,526

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

8. Segment Information (continued)

- A Inter-segment revenues are eliminated on consolidation.
- B Other non-cash incomes/(expenses) consist of the following items as presented in the respective notes to the financial statements:

	31.12.2018	31.12.2017
	RM'000	RM'000
Unrealised foreign exchange gain/(loss)	596	(1,049)
Inventories written down	(869)	(691)
Gain on bargain purchase	-	144
Impairment loss on trade receivables	(800)	-
Gain/(loss) on disposal of ppe	113	-
Property, plant and equipment written off	-	(1)
	<u>(960)</u>	<u>(1,597)</u>

- C The following items are added to/(deducted from) segment profit to arrive at total consolidated profit before tax:

	31.12.2018	31.12.2017
	RM'000	RM'000
Dividend income from inter-segment	1,783	8,438
Unallocated corporate expenses	(563)	(577)
	<u>1,220</u>	<u>7,861</u>

- D Additions to non-current assets consist of property, plant and equipment and investment property.
- E Inter-segment assets are deducted from segment assets to arrive at total assets reported in the condensed consolidated statement of financial position.
- F Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the condensed consolidated statement of financial position.

Revenue information based on the geographical location of customers is as follows:

	Revenues			
	01.04.2018 - 31.12.2018		01.04.2017 - 31.12.2017	
	RM'000	%	RM'000	%
Malaysia	76,162	34%	75,851	35%
Asia	101,316	46%	96,653	45%
Others	44,021	20%	42,583	20%
Total reported segments	<u>221,499</u>	<u>100%</u>	<u>215,087</u>	<u>100%</u>

The Group has one external customer that contributed to 11% of the Group's revenue.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018****9. Revenue from Contracts With Customers**

The Group's disaggregation of revenue and costs of goods sold are shown below:

	Current Qtr	Preceding Year Corresponding Qtr	Current Period-to-Date	Preceding Year Corresponding Period
<u>Timing of Revenue Recognition</u>	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Goods transferred at a point in time	80,158	75,061	219,256	215,087
Services transferred over time	820	-	2,243	-
Total revenue from contracts with customer	80,978	75,061	221,499	215,087

	Current Qtr	Preceding Year Corresponding Qtr	Current Period-to-Date	Preceding Year Corresponding Period
<u>Cost of Goods Sold</u>	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Cost of goods sold	62,872	60,006	179,032	170,665
Carriage outwards	643	-	1,831	-
Effect of MFRS 15	63,515	60,006	180,863	170,665

10. Significant Related Party Disclosures

The significant related party transactions and outstanding balance described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than that available to other third parties.

	Transactions for the 9 months period ended 31.12.2018 RM'000	Outstanding balance as at 31.12.2018 RM'000
Sale of goods to Syarikat Perniagaan Chong Mah	1,608	175
Rental income received from Skyline Motion Sdn Bhd	36	4

Syarikat Perniagaan Chong Mah, a company incorporated in Malaysia, is a substantial shareholder of the Company. The transactions with this related party are conducted in accordance with the general mandate obtained from shareholders for recurrent related party transactions.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

The Tenancy Agreement entered between OFI Properties Sdn Bhd and Skyline Motion Sdn Bhd are in the ordinary course of business and the transaction has been entered into in arm's-length basis.

11. *Material Events Subsequent to the End of the Reporting Period*

There was no material events subsequent to the end of the current quarter reported.

12. *Changes in the Composition of the Group*

There were no changes in the composition of the Group during the current quarter.

13. *Contingent Liabilities*

There were no contingent liabilities of a material nature to be disclosed.

14. *Capital Commitments*

Authorised, contracted but not provided for:-

- purchase of property, plant and equipment

**As at 31.12.2018
RM'000**

4,757

4,757

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

B. Additional information required by Bursa Malaysia Listing Requirements

1. Review of Performance

	Individual Period (3rd Quarter)		Change s (%)	Cumulative Period		Change s (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Period To- Date	Preceding Year Corresponding Period	
	31/12/2018 RM'000	31/12/2017 RM'000		31/12/2018 RM'000	31/12/2017 RM'000	
Revenue	80,978	75,061	7.89	221,499	215,087	2.98
Operating Profit/(Loss)	7,545	1,636	361.18	15,597	9,810	59.00
Profit/(Loss) Before Interest and Tax	7,545	1,636	361.18	15,597	9,810	59.00
Profit/(Loss) Before Tax	7,306	1,409	418.52	14,858	9,278	60.14
Profit/(Loss) After Tax	5,119	3,332	53.63	10,924	10,930	(0.05)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,119	3,332	53.63	10,924	10,934	(0.09)

The revenue for the current period to date and current quarter are higher as compared to preceding year corresponding period and quarter due to higher sales from both local and export market. The current financial year's revenue was impacted by the Group's first adoption of MFRS 15 where listing fee and A&P expenses have been reclassified as a deduction from revenue.

Profit before tax for the current period to date and current quarter is higher due to higher gross profit margin and gain in foreign exchange.

2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Quarter 31/12/2018 RM'000	Immediate Preceding Quarter 30/09/2018 RM'000	Changes (%)
Revenue	80,978	73,692	9.89
Operating Profit/(Loss)	7,545	3,778	99.71
Profit/(Loss) Before Interest and Tax	7,545	3,778	99.71
Profit/(Loss) Before Tax	7,306	3,487	109.52
Profit/(Loss) After Tax	5,119	2,670	91.72
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,119	2,670	91.72

The increase in revenue for the current quarter as compared to the preceding quarter was due to increase in both local and export sales.

Profit before tax for the current quarter is higher due to lower cost of sales and higher gross profit margin.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

3. Group's Prospects

The Group is currently making machinery acquisitions for some expansion projects for new product lines. The management expects that these new lines will contribute positively towards the growth and profitability of the Group. These programs are expected to be completed in stages in the next few years.

Despite the increased in raw material cost and facing various challenges of the competitive markets, the Board expects that the performance of the Group will be satisfactory for the financial year ending 31 March 2019.

4. Board of Directors' Opinion on Revenue or Profit Estimate, Forecast, Projection or Internal Targets

The Group does not announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

5. Variance of Actual Profit from Profit Forecast

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecasted profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

6. Taxation

	Current Quarter 31.12.2018	Preceding Year Corresponding Quarter 31.12.2017	Current Period To Date 31.12.2018	Preceding Year corresponding Period To Date 31.12.2017
	RM'000	RM'000	RM'000	RM'000
Income taxation in Malaysia				
- current year	648	255	1,020	1,737
Deferred taxation				
- origination and reversal of temporary differences	1,539	(2,178)	2,914	(3,389)
	<u>2,187</u>	<u>(1,923)</u>	<u>3,934</u>	<u>(1,652)</u>

The Group's effective tax rate for the current quarter and period to date is higher than the statutory tax rate mainly due to the non-deductible expenses and the reversal of deferred tax assets.

7. Profits on Sale of Unquoted Investments and / or Properties

There was no sale of unquoted investments and / or properties for the current quarter.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)
(Incorporated in Malaysia)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

8. Purchases or Disposals of Quoted Securities

There were no purchase and sale of quoted securities for the current quarter.

9. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this quarterly report

10. Group Borrowings

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<u>Borrowings – current</u>		
Overdraft - <i>secured</i>	4,228	5,545
Banker Acceptance – <i>secured</i>	2,000	-
Term loan - <i>secured</i>	<u>5,131</u>	<u>4,980</u>
	<u>11,359</u>	<u>10,525</u>
<u>Borrowings – non-current</u>		
Term loan - <i>secured</i>	8,863	14,021

The borrowings are denominated in Ringgit Malaysia and are based on floating interest rates.

11. Derivatives

There were no forward foreign exchange contracts outstanding as at 31 December 2018.

12. Gain/Loss Arising from Fair Value Changes of Financial Liabilities

There was no gain or loss arising from fair value changes of the financial liabilities for the current quarter and current year to date ended 31 December 2018.

13. Material Litigation

There was no material litigation pending since the date of last announcement till the date of this interim report.

14. Dividend

(a) An interim single tier dividend for the financial year ending 31 March 2019, amounting to RM1,200,000 computed based on 240,000,000 ordinary shares as at 31 December 2018, has been declared by the Board of Directors on 21 February 2019:

- (i) Amount per share : Single tier dividend of 0.50 sen per share
- (ii) The previous corresponding period as at 31 December 2017 : Single tier dividend of 0.5 sen per share
- (iii) Entitlement date : 8 March 2019
- (iv) Payment Date : 29 March 2019

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

(b) The total dividend declared for the current financial year ending 31 March 2019 : 1.50 sen per share

15. Earnings per Share

	Current Quarter 31.12.2018	Preceding Year Corresponding Quarter 31.12.2017	Current Period To Date 31.12.2018	Preceding Year Corresponding Period To Date 31.12.2017
Profit attributable to owners of the parent (RM'000)	5,119	3,332	10,924	10,934
Number of ordinary shares in issue ('000)	240,000	240,000	240,000	240,000
Basic earnings per share (sen)	<u>2.13</u>	<u>1.39</u>	<u>4.55</u>	<u>4.56</u>

16. Audit Report

The audited report of the preceding annual financial statements did not contain any qualification.

17. Profit before Tax

Profit before tax is arrived at after charging/(crediting):

	Current Quarter 31.12.2018 RM'000	Current Period To Date 31.12.2018 RM'000
Interest income	(3)	(11)
Rental income	(55)	(132)
Interest expense	239	739
Property, plant and equipment		
- depreciation	2,987	8,802
- gain on disposal	(16)	(113)
Investment properties		
- depreciation	32	96
Foreign exchange gain		
- realised	(306)	(1,117)
- unrealised	287	(596)
Inventories written off	371	869
Allowance for doubtful debts	<u>300</u>	<u>800</u>

Other than the above items, there were no provision for and write off of receivables, impairment of assets and exceptional items for the current quarter and current financial period to date ended 31 December 2018.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

18. Realised and Unrealised Profits/Losses Disclosure

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Total retained earnings of Oriental Food Industries Holdings Berhad and its subsidiaries:		
- Realised	113,389	109,914
- Unrealised	(4,299)	(8,297)
	<hr/>	<hr/>
	109,090	101,617
Less: Consolidation adjustments	(35,675)	(35,795)
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	73,415	65,822
	<hr/> <hr/>	<hr/> <hr/>

For and on behalf of

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

Datuk Seri Son Chen Chuan
Group Managing Director

Dated: 21 February 2019