

**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the quarter ended 31 December 2019**  
**(The figures have not been audited)**

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED</b>		<b>CUMULATIVE QUARTER 9 MONTHS ENDED</b>	
	<b>CURRENT YEAR QUARTER ENDED 31/12/2019 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2018 RM'000</b>	<b>CURRENT PERIOD TO-DATE 31/12/2019 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 31/12/2018 RM'000</b>
<b>Revenue</b>	77,456	80,978	208,981	221,499
Cost of sales	(62,066)	(63,515)	(171,287)	(180,863)
<b>Gross Profit</b>	15,390	17,463	37,694	40,636
Other operating income/(expense)	(734)	150	(177)	2,611
Selling & distribution costs	(4,619)	(3,861)	(12,563)	(11,894)
Administrative expenses	(4,938)	(6,207)	(13,778)	(15,756)
Finance costs	(194)	(239)	(631)	(739)
<b>Profit before tax</b>	4,905	7,306	10,545	14,858
Tax expense	(518)	(2,187)	(2,293)	(3,934)
<b>Profit net of tax, for the period</b>	4,387	5,119	8,252	10,924
<b>Other comprehensive income/(expenses)</b>				
Net (loss)/gain on equity investment designated at fair value through other comprehensive income	21	1,463	(152)	1,717
<b>Other comprehensive income for the period</b>	21	1,463	(152)	1,717
<b>Total comprehensive income for the period</b>	4,408	6,582	8,100	12,641
<b>Profit net of tax, attributable to :</b>				
Owners of the parent	4,387	5,119	8,252	10,924
Non-controlling interest	-	-	-	-
	4,387	5,119	8,252	10,924
<b>Earnings per share (Note B 15 )</b>				
- Basic (Sen)	1.83	2.13	3.44	4.55
- 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 2019 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**

	<b>31 December 2019</b>	<b>31 March 2019</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	137,154	141,711
Investment properties	4,282	4,153
Investment security	2,135	2,288
Land held for property development	962	962
Right-of-use assets	407	-
	<u>144,940</u>	<u>149,114</u>
<b>Current assets</b>		
Inventories	33,098	38,240
Trade and other receivables	45,715	49,810
Other current assets	5,929	5,110
Right of return asset	588	430
Income tax recoverable	3,049	3,894
Cash and bank balances	20,717	9,460
	<u>109,096</u>	<u>106,944</u>
<b>TOTAL ASSETS</b>	<b><u>254,036</u></b>	<b><u>256,058</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	120,000	120,000
Fair Value Reserve of Financial Assets at FVOCI	1,763	1,915
Retained earnings	73,493	67,683
	<u>195,256</u>	<u>189,598</u>
<b>Total equity</b>	<b><u>195,256</u></b>	<b><u>189,598</u></b>
<b>Non-current liabilities</b>		
Loans and borrowings	10,910	14,500
Deferred tax liabilities	7,959	7,554
Lease liabilities	161	-
	<u>19,030</u>	<u>22,054</u>
<b>Current liabilities</b>		
Trade and other payables	31,171	30,098
Lease liabilities	295	-
Refund liabilities	2,007	1,054
Contract liabilities	562	1,919
Income tax payable	617	35
Loans and borrowings	5,098	11,300
	<u>39,750</u>	<u>44,406</u>
<b>Total liabilities</b>	<b><u>58,780</u></b>	<b><u>66,460</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>254,036</u></b>	<b><u>256,058</u></b>
	-	-
<b>Net assets per share attributable to owners of the Parent (RM) **</b>	<b>0.81</b>	<b>0.79</b>

**\*\* 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 2019.**

**The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 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 2019**  
**(The figures have not been audited)**

	← Attributable to Owners of the Parent →			
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b><u>9 months period ended 31 December 2019</u></b>				
Balance as at 1 April 2019	120,000	1,915	67,683	189,598
Effect of adoption of new accounting standards			(42)	(42)
Total comprehensive income for the period	-	(152)	8,252	8,100
<b>Transactions with owners</b>				
Interim dividend for the year ending 31 March 2020	-		(720)	(720)
Interim dividend for the year ending 31 March 2020	-	-	(1,680)	(1,680)
<b>Total transactions with owners</b>	-	-	(2,400)	(2,400)
<b>Balance as at 31 December 2019</b>	<b>120,000</b>	<b>1,763</b>	<b>73,493</b>	<b>195,256</b>
<b><u>9 months period ended 31 December 2018</u></b>				
Balance as at 1 April 2018	120,000	-	64,891	184,891
Total comprehensive income for the period	-	1,717	10,924	12,641
<b>Transactions with owners</b>				
Interim dividend for the year ended 31 March 2019	-	-	(1,200)	(1,200)
Interim dividend for the year ended 31 March 2019	-	-	(1,200)	(1,200)
<b>Total transactions with owners</b>	-	-	(2,400)	(2,400)
<b>Balance as at 31 December 2018</b>	<b>120,000</b>	<b>1,717</b>	<b>73,415</b>	<b>195,132</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 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 2019**  
**(The figures have not been audited)**

	<b>CURRENT YEAR ENDED 31/12/2019 RM'000</b>	<b>PRECEDING YEAR ENDED 31/12/2018 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	10,545	14,858
Adjustments for non cash items	12,200	10,585
	<u>22,745</u>	<u>25,443</u>
Changes in working capital	7,502	(9,392)
Net cash generated from operating activities	<u>30,247</u>	<u>16,051</u>
Interest income	25	11
Interest paid	(631)	(739)
Income taxes paid	(1,141)	(1,855)
Income taxes refunded	679	323
Net cash flows from operating activities	<u>29,179</u>	<u>13,791</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,788)	(3,878)
Advances to suppliers of property, plant & equipment	(1,006)	(3,825)
Proceeds from disposal of:		
- property, plant and equipment	266	113
Net cash used in investing activities	<u>(5,528)</u>	<u>(7,590)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(314)	-
Dividends paid on ordinary shares	(2,400)	(1,200)
Drawdown/(repayment) of loans and borrowings	(7,802)	(3,775)
Net cash used in financing activities	<u>(10,516)</u>	<u>(4,975)</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>13,135</b>	<b>1,226</b>
Effect of exchange rate changes on cash and cash equivalents	112	235
<b>Cash and Cash Equivalents at beginning of year</b>	<b>7,469</b>	<b>2,509</b>
<b>Cash and Cash Equivalents at end of period</b>	<b><u>20,716</u></b>	<b><u>3,970</u></b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
	<b>31/12/2019 RM'000</b>	<b>31/12/2018 RM'000</b>
Cash and bank balances	20,717	8,199
Investment in money market fund	(1)	(1)
Bank overdraft	-	(4,228)
	<u>20,716</u>	<u>3,970</u>

**Note : There is no non-cash movement in liabilities arising from financing activities for the year ended 31 December 2019.**

**The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 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 2019***

**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 2019. 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 2019.

**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 2019, 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 2019.

- MFRS 16 Leases
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to MFRS Standards 2015-2017 Cycle

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:

- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures (Interest Rate Benchmark Reform)
- Amendments to MFRS 2 Share-Based Payment
- Amendment to MFRS 3 Business Combinations
- Amendments to MFRS 3 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
- 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
- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate of Joint Venture

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019***

**MFRS16 Leases**

MFRS 16 supercedes MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 will affect primarily the accounting by lessees and requires a lessee to recognise assets and liabilities for all leases on the statement of financial position with an optional exemption for short term and low-value leases.

The statement of profit and loss and other comprehensive income will be affected as rental expenses will be replaced by interest expense and depreciation. The principal portion of the lease liability are classified within financing activities and only part of the payments that reflects interest expense can continue to be presented as operating cash flows in the statement of cash flow.

The Group has applied the modified retrospective approach with no restatement of comparative, under which the cumulative effect of initial recognition is recognised in retained earnings.

The effect arising from the initial application on the statement of financial position of the Group are as follow:

	Impact of adoption of MFRS 16 to the opening balance as at 1 April 2019 RM'000
Right-of-use assets	722
Payables	7
Lease liability	(771)
	<hr/>
	( 42)
	<hr/>
Retained earnings	42

**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.

**6. Debts and Equity Securities**

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

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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**7. Dividend Paid**

An interim single tier dividend of 0.70 sen per share, amounting to RM1,680,000 for the financial year ended 31 March 2019 was approved during the 78<sup>th</sup> Board of Directors Meeting held on 30 May 2019 and was paid on 12 July 2019.

An interim single tier dividend of 0.30 sen per share, amounting to RM720,000 for the financial year ending 31 March 2020 was approved during the 79<sup>th</sup> Board of Directors Meeting held on 28 August 2019 and was paid on 7 October 2019.

An interim single tier dividend of 0.30 sen per share, amounting to RM720,000 for the financial year ending 31 March 2020 was approved during the 81<sup>st</sup> Board of Directors Meeting held on 21 November 2019 and was paid on 8 January 2020.

**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)**

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS***

***FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019***

**8. Segment information (continued)**

31 December 2019	Manufacturing and marketing of snack food and confectioneries RM'000	Property development RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Notes	Per condensed consolidated financial statements RM'000
<b>Revenue:</b>						
External customers	208,981	-	-	-		208,981
Inter-segment	-	-	3,027	(3,027)	A	-
Total revenue	208,981	-	3,027	(3,027)		208,981
<b>Results:</b>						
Interest income	18	7	-	-		25
Depreciation of:						
- Property, plant and equipment	8,962	41	-	-		9,003
- Investment properties	13	63	-	-		76
Other non-cash expenses	2,199	-	-	-	B	2,199
Segment profit/(loss)	10,612	(67)	2,475	(2,475)	C	10,545
<b>Assets:</b>						
Additions to non-current assets	4,788	-	-	-	D	4,788
Segment assets	247,430	6,546	60	-	E	254,036
<b>Segment liabilities</b>	58,387	76	317	-	F	58,780



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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS***

***FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019***

**8. Segment information (continued)**

	Manufacturing and marketing of snack food and confectioneries RM'000	Property development RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Notes	Per condensed consolidated financial statements RM'000
<b>31 December 2018</b>						
<b>Revenue:</b>						
External customers	221,499	-	-	-		221,499
Inter-segment	-	-	1,783	(1,783)	A	-
Total revenue	221,499	-	1,783	(1,783)		221,499
<b>Results:</b>						
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	14,819	39	1,220	(1,220)	C	14,858
<b>Assets:</b>						
Additions to non-current assets	7,703	-	-	-	D	7,703
Segment assets	257,627	6,690	100	-	E	264,417
<b>Segment liabilities</b>	68,888	57	340	-	F	69,285

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019*****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:

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrealised foreign exchange gain/(loss)	(391)	596
Inventories written down	(1,751)	(869)
Impairment loss on trade receivables	(185)	(800)
Gain/(loss) on disposal of plant, property and equipment	128	113
	<u>(2,199)</u>	<u>(960)</u>

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

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Dividend income from inter-segment	3,027	1,783
Unallocated corporate expenses	(552)	(563)
	<u>2,475</u>	<u>1,220</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:

	<b>Revenues</b>			
	<b>01.04.2019 - 31.12.2019</b>		<b>01.04.2018 - 31.12.2018</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Malaysia	77,381	37%	76,162	34%
Asia	87,480	42%	101,316	46%
Others	44,120	21%	44,021	20%
Total reported segments	<u>208,981</u>	<u>100%</u>	<u>221,499</u>	<u>100%</u>

The Group has a single external customer that contributed more than 10% of the Group's revenue.

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

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019*****9. 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 31.12.2019 RM'000	Outstanding balance as at 31.12.2019 RM'000
Sale of goods to Syarikat Perniagaan Chong Mah	1,568	403
Rental income received from Skyline Motion Sdn Bhd	36	8

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.

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.

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

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

**11. Changes in the Composition of the Group**

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

**12. Contingent Liabilities**

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

**13. Capital Commitments**

	As at 31.12.2019 RM'000
Authorised, contracted but not provided for:-	
- purchase of property, plant and equipment	2,074
	<u>2,074</u>

**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 2019*****B. Additional information required by Bursa Malaysia Listing Requirements****1. Review of Performance**

	Individual Period (3rd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Period To- Date	Preceding Year Corresponding Period	
	31/12/2019 RM'000	31/12/2018 RM'000		31/12/2019 RM'000	31/12/2018 RM'000	
Revenue	77,456	80,978	(4.35)	208,981	221,499	(5.65)
Operating Profit/(Loss)	5,099	7,545	(32.42)	11,176	15,597	(28.34)
Profit/(Loss) Before Interest and Tax	5,099	7,545	(32.42)	11,176	15,597	(28.34)
Profit/(Loss) Before Tax	4,905	7,306	(32.86)	10,545	14,858	(29.03)
Profit/(Loss) After Tax	4,387	5,119	(14.30)	8,252	10,924	(24.46)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,387	5,119	(14.30)	8,252	10,924	(24.46)

The revenue for the current period to date and current quarter are lower by 5.65% and 4.35% respectively as compared to preceding year corresponding period and quarter due to lower sales from export market in the snack food and confectioneries segment.

Profit before tax for the current period to date and current quarter is lower by 29.03% and 32.86% mainly due to loss in foreign exchange and lower sales.

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

	Current Quarter 31/12/2019 RM'000	Immediate Preceding Quarter 30/09/2019 RM'000	Changes (%)
Revenue	77,456	68,078	13.77
Operating Profit/(Loss)	5,099	3,148	61.98
Profit/(Loss) Before Interest and Tax	5,099	3,148	61.98
Profit/(Loss) Before Tax	4,905	2,922	67.86
Profit/(Loss) After Tax	4,387	1,903	130.53
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,387	1,903	130.53

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

The higher profit before tax for the current quarter is mainly contributed by the higher 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 2019*****3. Group's Prospects**

The Group is already in its final stage of expansion and only left some minor machine acquisition to complete its new production lines. It is expected that these new lines will contribute positively towards the growth and profitability of the Group. The management views the current year contraction in revenue is just a temporary setback due to the slowdown in global economy. The Group still expects positive contribution from the investment in various product lines in years to come from the new and existing market segment due to the active promotional activities taken.

Despite facing various challenges from the competitive markets and the negative impact from rising raw material cost, the Board expects that the performance of the Group will be satisfactory and remain positive for the financial year ending 31 March 2020.

**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 31.12.2019	Preceding Year Corresponding Quarter 31.12.2018	Current Period To Date 31.12.2019	Preceding Year corresponding Period To Date 31.12.2018
	RM'000	RM'000	RM'000	RM'000
<b>Income taxation in Malaysia</b>				
- current year	707	648	1,888	1,020
<b>Deferred taxation</b>				
- origination and reversal of temporary differences	(189)	1,539	405	2,914
	<u>518</u>	<u>2,187</u>	<u>2,293</u>	<u>3,934</u>

The Group's effective tax rate for the current quarter and period to date is lower than the statutory tax rate mainly due to the availability of tax incentive granted to its subsidiary.

**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)**

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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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 31.12.2019 RM'000	As at 31.12.2018 RM'000
<u>Borrowings – current</u>		
Overdraft - <i>secured</i>	-	4,228
Banker Acceptance – <i>secured</i>	-	2,000
Term loan - <i>secured</i>	5,098	5,131
	<u>5,098</u>	<u>11,359</u>
<u>Borrowings – non-current</u>		
Term loan - <i>secured</i>	10,910	8,863

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 2019.

**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 period to date ended 31 December 2019.

**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 2020, amounting to RM1,200,000 computed based on 240,000,000 ordinary shares as at 31 December 2019, has been declared by the Board of Directors on 20 February 2020:

- (i) Amount per share : Single tier dividend of 0.50 sen per share
- (ii) The previous corresponding period as at 31 December 2018 : 0.50 sen per share
- (iii) Entitlement date : 10 March 2020
- (iv) Payment Date : 3 April 2020

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- (b) The total dividend declared for the current financial year ending 31 March 2020 : 1.10 sen per share

**15. Earnings per Share**

	<b>Current Quarter 31.12.2019</b>	<b>Preceding Year Corresponding Quarter 31.12.2018</b>	<b>Current Period To Date 31.12.2019</b>	<b>Preceding Year Corresponding Period To Date 31.12.2018</b>
Profit net of tax attributable to owners of the parent (RM'000)	4,387	5,119	8,252	10,924
Number of ordinary shares in issue ('000)	240,000	240,000	240,000	240,000
Basic earnings per share (sen)	<u>1.83</u>	<u>2.13</u>	<u>3.44</u>	<u>4.55</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):

	<b>Current Quarter 31.12.2019 RM'000</b>	<b>Current Period To Date 31.12.2019 RM'000</b>
Interest income	(13)	(25)
Rental income	(68)	(187)
Interest expense	194	631
Property, plant and equipment		
- depreciation	2,989	9,003
- gain on disposal	(9)	(128)
Investment properties		
- depreciation	25	76
Foreign exchange gain		
- realised	307	10
- unrealised	553	391
Inventories written off	642	1,751
Impairment loss for trade receivables	<u>(89)</u>	<u>185</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 2019.

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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**18. Realised and Unrealised Profits/Losses Disclosure**

	<b>As at 31.12.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
Total retained earnings of Oriental Food Industries Holdings Berhad and its subsidiaries:		
- Realised	117,556	113,389
- Unrealised	(8,351)	(4,299)
	<hr/>	<hr/>
	109,205	109,090
Less: Consolidation adjustments	(35,712)	(35,675)
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	73,493	73,415
	<hr/> <hr/>	<hr/> <hr/>

For and on behalf of

**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**

**Datuk Seri Son Chen Chuan**  
**Group Managing Director**

Dated: 20 February 2020