

Quarterly Report on consolidated results for the first financial quarter ended 30th September 2020

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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 30.09.2020 RM'000	Quarter Ended 30.09.2019 RM'000	Year To Date Ended 30.09.2020 RM'000	Year To Date Ended 30.09.2019 RM'000
Revenue	722,391	531,842	722,391	531,842
Cost of Sales	(678,237)	(502,699)	(678,237)	(502,699)
Gross Profit	44,154	29,143	44,154	29,143
Other Operating Income	6,039	4,824	6,039	4,824
Selling and Distribution Costs	(4,550)	(3,756)	(4,550)	(3,756)
Administrative Expenses	(22,455)	(14,808)	(22,455)	(14,808)
Finance Costs	(2,655)	(1,870)	(2,655)	(1,870)
Profit Before Tax	20,533	13,533	20,533	13,533
Tax Expense	1,571	(1,512)	1,571	(1,512)
Profit for the Period	22,104	12,021	22,104	12,021
Other Comprehensive Income, net of tax	(193)	70	(193)	70
Total Comprehensive Income	21,911	12,091	21,911	12,091
Profit Attributable to :				
Owners of the parent	14,712	8,641	14,712	8,641
Non-Controlling Interest	7,392	3,380	7,392	3,380
	22,104	12,021	22,104	12,021
Basic earnings per share attributable to equity holders of the Company (sen)	9.08	5.33	9.08	5.33
Total Comprehensive Income Attributable to:				
Owners of the parent	14,596	8,738	14,596	8,738
Non-Controlling Interest	7,315	3,353	7,315	3,353
	21,911	12,091	21,911	12,091

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.09.2020 RM'000	Audited as at 30.06.2020 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	78,578	77,375
Right-Of-Use Assets	20,610	21,704
Intangible Assets	11,261	11,261
Other Investment	10	10
Deferred Tax Assets	1	-
	<u>110,460</u>	<u>110,350</u>
Current Assets		
Inventories	56,033	58,586
Trade Receivables	343,929	444,992
Other Receivables	17,815	23,747
Current Tax Assets	4,746	1,315
Derivative Assets	12,937	664
Deposits With Licensed Banks	32,850	27,220
Short Term Funds	43,231	-
Cash and Bank Balances	113,212	138,202
	<u>624,753</u>	<u>694,726</u>
TOTAL ASSETS	<u>735,213</u>	<u>805,076</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	95,147	95,147
Reserves	147,112	132,516
	<u>242,259</u>	<u>227,663</u>
Non-Controlling Interests	45,469	40,134
Total Equity	<u>287,728</u>	<u>267,797</u>
Non-Current Liabilities		
Long Term Loans	7,438	9,021
Retirement Benefit Obligations	685	538
Lease Liabilities	6,075	6,642
Deferred Tax Liabilities	999	999
	<u>15,197</u>	<u>17,200</u>
Current Liabilities		
Trade Payables	77,881	81,858
Other Payables	68,991	57,089
Derivative Liabilities	6,433	12,185
Lease Liabilities	2,244	2,405
Bank Borrowings	275,946	366,115
Current Tax Liabilities	793	427
	<u>432,288</u>	<u>520,079</u>
Total Liabilities	<u>447,485</u>	<u>537,279</u>
TOTAL EQUITY AND LIABILITIES	<u>735,213</u>	<u>805,076</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.50	1.41

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non- Distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
3 months ended 30th September 2020						
At 1st July 2020	95,147	156	132,360	227,663	40,134	267,797
Profit For The Period	-	-	14,712	14,712	7,392	22,104
Foreign Currency Translation	-	(116)	-	(116)	(77)	(193)
Total Comprehensive Income	-	(116)	14,712	14,596	7,315	21,911
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	-	-	(1,980)	(1,980)
At 30th September 2020	95,147	40	147,072	242,259	45,469	287,728
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

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.09.2020 RM'000	Corresponding Year To Date Ended 30.09.2019 RM'000
Profit Before Taxation	20,533	13,533
Adjustment for :-		
Non-Cash Items	5,412	3,605
Non-Operating Items	(17,951)	(3,044)
Operating Profit Before Working Capital Changes	7,994	14,094
Changes in Working Capital		
Net Change in Current Assets	109,855	(26,797)
Net Change in Current Liabilities	7,197	10,171
Cash Used In Operating Activities	125,046	(2,532)
Tax (Paid)/Refund	(1,496)	1,800
Interest Paid	(2,655)	(1,870)
Net Cash From/(Used In) Operating Activities	120,895	(2,602)
Investing Activities		
Purchase of Property, Plant and Equipment	(3,492)	(6,390)
Interest Received	377	306
Uplift/(Placement) of Deposits with Maturity Periods of more than three months	(5,000)	-
Net Cash Used In Investing Activities	(8,115)	(6,084)
Financing Activities		
Dividend Paid to Non-Controlling Interest in a Subsidiary	(1,980)	-
Net (Repayment)/Drawdown of Borrowings	(91,841)	13,709
Net Cash (Used In)/From Financing Activities	(93,821)	13,709
Net Increase in Cash and Cash Equivalents	18,959	5,023
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(177)	62
Cash and Cash Equivalents at beginning of financial year	150,422	99,826
Cash and Cash Equivalents at end of financial period	169,204	104,911
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	32,850	25,000
Short Term Funds	43,231	27,186
Cash and Bank Balances	113,212	72,842
Bank Overdraft	(89)	(117)
	189,204	124,911
Less: Deposits with maturity more than three months	(20,000)	(20,000)
	169,204	104,911

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2020 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 2020. 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 2020.

The accounting policies and methods of computation adopted by the Group in this condensed interim financial statements are consistent with the audited financial statements for the financial year ended 30th June 2020.

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 2020 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 2020.

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 2020				
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	716,874	5,517	-	722,391
Operating Profit/(Loss)	24,496	(83)	(1,225)	23,188
Profit/(Loss) Before Tax	21,871	(98)	(1,240)	20,533
Segments assets				
Total Assets	628,334	31,892	74,987	735,213
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

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 2020.

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 30.09.2020 RM'000
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>283,384</u>

A13 Capital Commitments

	As at 30.09.2020 RM'000
Authorised and contracted for	<u>148</u>
Authorised but not contracted for	<u>270</u>

A14 Comparative Figures

Certain comparative figures have been reclassified to conform with the current quarter's presentation.

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 2021 RM'000	1st Qtr 2020 RM'000	Changes RM'000	Variance %	1st Qtr 2021 RM'000	1st Qtr 2020 RM'000	Changes RM'000	Variance %
Revenue	722,391	531,842	190,549	36%	722,391	531,842	190,549	36%
Operating Profit	23,188	15,403	7,785	51%	23,188	15,403	7,785	51%
Profit before tax	20,533	13,533	7,000	52%	20,533	13,533	7,000	52%
Profit after tax	22,104	12,021	10,083	84%	22,104	12,021	10,083	84%

The higher revenue for the current quarter is mainly due to higher exports of FCLs totaling an 18% increase as compared to the corresponding quarter last year and the 34% increase in average olein prices over the same period.

Operating margins for the current quarter improved due to favourable selling margins at destination markets because of sharp increases in prices resulting in increased immediate delivery contracts. The higher margins and prices are thus less susceptible to price negotiations with the customers.

B2 Variation of Results Against Preceding Quarter

Description	1st Qtr 2021 RM'000	4th Qtr 2020 RM'000	Changes RM'000	Variance %
Revenue	722,391	744,687	(22,296)	-3%
Operating Profit	23,188	18,870	4,318	23%
Profit before tax	20,533	15,668	4,865	31%
Profit after tax	22,104	12,194	9,910	81%

For the current quarter, revenue slightly decreased by 3% as compared to the preceding quarter due to an almost 8% drop in FCLs exported and 3% strengthening of the USD against the RM. This slight drop in exports and USD value was however moderated by the 24% price increase in average olein prices.

Operating margins for the current quarter improved due to favourable selling margins at destination markets because of sharp increases in prices resulting in increased immediate delivery contracts. The higher margins and prices are thus less susceptible to price negotiations with the customers.

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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Taxation comprises:-				
- Income Tax				
Current Period	1,314	1,531	1,314	1,531
(Over)/Under provision in prior year	(2,885)	-	(2,885)	-
- Deferred Tax	-	(19)	-	(19)
	<u>(1,571)</u>	<u>1,512</u>	<u>(1,571)</u>	<u>1,512</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 and for a prior year's over provision which has been reversed.

**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 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	275,946	-	275,946
Non-Current	7,438	-	7,438
	<u>283,384</u>	<u>-</u>	<u>283,384</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	
	30.09.2020 RM'000	30.09.2019 RM'000
Forward Contracts		
Less than 1 year		
Contract/Notional Value	747,620	611,356
Fair Value	6,504	(575)

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 2020 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 2020.

B11 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to equity holders of the Company (RM'000)	14,712	8,641	14,712	8,641
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	9.08	5.33	9.08	5.33