

Quarterly Report on consolidated results for the first financial quarter ended 30th September 2021

Quarterly report on consolidated results for the fourth financial quarter ended 30th September 2021.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2021 RM'000	Quarter Ended 30.09.2020 RM'000	Year To Date Ended 30.09.2021 RM'000	Year To Date Ended 30.09.2020 RM'000
Revenue	1,064,348	722,391	1,064,348	722,391
Cost of Sales	(1,004,764)	(678,237)	(1,004,764)	(678,237)
Gross Profit	59,584	44,154	59,584	44,154
Other Operating Income	3,277	6,039	3,277	6,039
Selling and Distribution Costs	(4,096)	(4,550)	(4,096)	(4,550)
Administrative Expenses	(28,310)	(22,455)	(28,310)	(22,455)
Finance Costs	(1,317)	(2,655)	(1,317)	(2,655)
Profit Before Tax	29,138	20,533	29,138	20,533
Tax Expense	(1,798)	1,571	(1,798)	1,571
Profit for the Period	27,340	22,104	27,340	22,104
Other Comprehensive Income, net of tax	65	(193)	65	(193)
Total Comprehensive Income	27,405	21,911	27,405	21,911
Profit Attributable to :				
Owners of the parent	12,605	14,712	12,605	14,712
Non-Controlling Interest	14,735	7,392	14,735	7,392
	27,340	22,104	27,340	22,104
Basic earnings per share attributable to equity holders of the Company (sen)	7.78	9.08	7.78	9.08
Total Comprehensive Income Attributable to:				
Owners of the parent	12,644	14,596	12,644	14,596
Non-Controlling Interest	14,761	7,315	14,761	7,315
	27,405	21,911	27,405	21,911

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.09.2021 RM'000	Audited as at 30.06.2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	75,899	76,353
Right-Of-Use Assets	18,025	18,791
Intangible Assets	17,261	17,261
Other Investment	10	10
	<u>111,195</u>	<u>112,415</u>
Current Assets		
Inventories	72,236	72,228
Trade Receivables	420,687	446,445
Other Receivables	6,734	19,745
Current Tax Assets	4,987	4,956
Derivative Assets	20,822	6,844
Deposits With Licensed Banks	34,300	26,300
Short Term Funds	50,273	-
Cash and Bank Balances	105,456	161,009
	<u>715,495</u>	<u>737,527</u>
TOTAL ASSETS	<u>826,690</u>	<u>849,942</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	95,147	95,147
Reserves	198,825	186,181
	<u>293,972</u>	<u>281,328</u>
Non-Controlling Interests	84,067	74,146
Total Equity	<u>378,039</u>	<u>355,474</u>
Non-Current Liabilities		
Long Term Loans	7,776	4,996
Retirement Benefit Obligations	609	578
Lease Liabilities	5,979	5,690
Deferred Tax Liabilities	1,020	1,020
	<u>15,384</u>	<u>12,284</u>
Current Liabilities		
Trade Payables	39,777	90,542
Other Payables	86,649	90,745
Derivative Liabilities	16,774	2,848
Lease Liabilities	1,299	1,959
Bank Borrowings	287,684	295,180
Current Tax Liabilities	1,084	910
	<u>433,267</u>	<u>482,184</u>
Total Liabilities	<u>448,651</u>	<u>494,468</u>
TOTAL EQUITY AND LIABILITIES	<u>826,690</u>	<u>849,942</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.81	1.74

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 2021 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 2021						
At 1st July 2021	95,147	55	186,126	281,328	74,146	355,474
Profit For The Year	-	-	12,605	12,605	14,735	27,340
Foreign Currency Translation	-	39	-	39	26	65
Total Comprehensive Income	-	39	12,605	12,644	14,761	27,405
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	-	-	(4,840)	(4,840)
At 30th September 2021	95,147	94	198,731	293,972	84,067	378,039
3 months ended 30th September 2020						
At 1st July 2020	95,147	156	132,360	227,663	40,134	267,797
Profit For The Year	-	-	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

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.09.2021 RM'000	Corresponding Year To Date Ended 30.09.2020 RM'000
Profit Before Taxation	29,138	20,533
Adjustment for :-		
Non-Cash Items	4,163	5,412
Non-Operating Items	(88)	(17,951)
Operating Profit Before Working Capital Changes	33,213	7,994
Changes in Working Capital		
Net Change in Current Assets	38,760	109,855
Net Change in Current Liabilities	(54,858)	7,197
Cash From Operating Activities	17,115	125,046
Tax Paid	(1,470)	(1,496)
Interest Paid	(1,317)	(2,655)
Net Cash From Operating Activities	14,328	120,895
Investing Activities		
Purchase of Property, Plant and Equipment	(2,133)	(3,492)
Proceed From Disposal of Property, Plant and Equipment	36	-
Interest Received	370	377
Placement of Deposits with Maturity Periods of more than three months	(6,500)	(5,000)
Net Cash Used In Investing Activities	(8,227)	(8,115)
Financing Activities		
Dividend Paid to Non-Controlling Interest in a Subsidiary	(4,840)	(1,980)
Net Repayment of Borrowings	(5,087)	(91,841)
Net Cash Used In Financing Activities	(9,927)	(93,821)
Net (Decrease)/Increase in Cash and Cash Equivalents	(3,826)	18,959
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	46	(177)
Cash and Cash Equivalents at beginning of financial year	172,809	150,422
Cash and Cash Equivalents at end of financial period	169,029	169,204
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	34,300	32,850
Short Term Funds	50,273	43,231
Cash and Bank Balances	105,456	113,212
Bank Overdraft	-	(89)
	190,029	189,204
Less: Deposits with maturity more than three months	(21,000)	(20,000)
	169,029	169,204

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2021 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 2021. 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 2021.

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 2021.

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 2021 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 2021.

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 2021				
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	1,061,183	3,165	-	1,064,348
Operating Profit/(Loss)	32,156	(546)	(1,155)	30,455
Profit/(Loss) Before Tax	30,856	(552)	(1,166)	29,138
Segments assets				
Total Assets	713,192	28,114	85,384	826,690

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
A9 Property, Plant and Equipment

The value of land and buildings have been brought forward, without amendment from the annual financial report for the financial year ended 30th June 2021.

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 30.09.2021 RM'000
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>295,460</u>

A13 Capital Commitments

	As at 30.09.2021 RM'000
Authorised and contracted for	<u>43</u>
Authorised but not contracted for	<u>-</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 2022 RM'000	1st Qtr 2021 RM'000	Changes RM'000	Variance %	1st Qtr 2022 RM'000	1st Qtr 2021 RM'000	Changes RM'000	Variance %
Revenue	1,064,348	722,391	341,957	47%	1,064,348	722,391	341,957	47%
Operating Profit	30,455	23,188	7,267	31%	30,455	23,188	7,267	31%
Profit before tax	29,138	20,533	8,605	42%	29,138	20,533	8,605	42%
Profit after tax	27,340	22,104	5,236	24%	27,340	22,104	5,236	24%

The higher revenue for the current quarter is attributed to the almost 100% increase in average olein prices compared to the corresponding quarter last year. This is despite of the 7% decrease in number of Full Container Loads (FCLs) exported over the same period.

Net margins for the quarter decreased as many high margin customers delayed purchasing due to the high average olein prices and due to the higher than normal freight costs because of the unavailability of container boxes and freight liners.

B2 Variation of Results Against Preceding Quarter

Description	1st Qtr 2022 RM'000	4th Qtr 2021 RM'000	Changes RM'000	Variance %
Revenue	1,064,348	900,147	164,201	18%
Operating Profit	30,455	42,103	(11,648)	-28%
Profit before tax	29,138	40,827	(11,689)	-29%
Profit after tax	27,340	38,878	(11,538)	-30%

For the current quarter, revenue increased by 18% as compared to the preceding quarter due to the 17% increase in FCLs exported and the 7% increase in average olein prices as compared to the preceding quarter.

Net margins for the quarter however decreased due to the absence of many regular high margin customers and due to the higher than normal freight costs.

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	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Taxation comprises:-				
- Income Tax				
Current Period	1,798	1,314	1,798	1,314
Under/(Over) provision in prior year	-	(2,885)	-	(2,885)
- Deferred Tax	-	-	-	-
	<u>1,798</u>	<u>(1,571)</u>	<u>1,798</u>	<u>(1,571)</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 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	287,684	-	287,684
Non-Current	7,776	-	7,776
	<u>295,460</u>	<u>-</u>	<u>295,460</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 and commodity forward contracts are as follows:-

Type of Derivatives	Quarter Ended	
	30.09.2021 RM'000	30.09.2020 RM'000
Forward Contracts		
Less than 1 year		
Contract/Notional Value	985,454	747,620
Fair Value	4,048	6,504

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 2021 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 2021.

B11 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit attributable to equity holders of the Company (RM'000)	12,605	14,712	12,605	14,712
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	7.78	9.08	7.78	9.08