ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M) (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarter ended 30 September 2013
(The figures have not been audited)

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/09/2012 RM'000	CURRENT PERIOD TO-DATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 30/09/2012 RM'000
Revenue	56,136	50,080	110,095	101,865
Cost of sales	(43,307)	(38,670)	(85,961)	(80,220)
Gross Profit	12,829	11,410	24,134	21,645
Other operating (expense)/income	(219)	1,407	589	2,004
Selling & distribution costs	(5,169)	(5,115)	(10,057)	(10,197)
Administrative expenses	(2,071)	(2,100)	(4,181)	(5,335)
Finance costs	(62)	(99)	(133)	(157)
Profit Before Tax	5,308	5,503	10,352	7,960
Tax expense	(1,186)	(709)	(2,171)	(1,588)
Profit net of tax, representing total comprehensive income for the period	4,122	4,794	8,181	6,372
Total Comprehensive Income Attributable to Owners of the parent Non-controlling interest	4,119 3 4,122	4,753 41 4,794	8,179 2 8,181	6,289 83 6,372
F	4,122	4,794	8,181	0,372
Earnings per share (Note B 14)				
- Basic (Sen)	6.87	7.92	13.63	10.48
- 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 2013 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

	Unaudited As at 30/09/2013 RM'000	Audited As at 31/03/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	92,657	93,262
Investment properties	916	924
Investment security	372	372
Land held for property development	958	958
	94,903	95,516
Current assets		
Development property	3,540	3,553
Inventories	18,562	17,351
Trade and other receivables	31,520	31,762
Other current assets	5,340	3,809
Income tax recoverable	1,899	1,542
Cash and bank balances	22,659	18,189
	83,520	76,206
TOTAL ASSETS	178,423	171,722
EQUITY AND LIABILITIES Equity attributable to owners of the parent Share capital Revaluation reserves	60,000 9,959	60,000 9,959
Retained earnings	68,624	62,845
	138,583	132,804
Non-controlling interest	609	607
Total equity	139,192	133,411
Non-current liabilities		
Loans and borrowings	4,635	5,373
Deferred tax liabilities	7,405	6,575
	12,040	11,948
Current liabilities		
Trade and other payables	22,093	19,704
Dividend payable	2,400	1,200
Income tax payable	294	-
Derivatives	112	39
Loans and borrowings	2,292	5,420
-	27,191	26,363
Total liabilities	39,231	38,311
TOTAL EQUITY AND LIABILITIES	178,423	171,722
	-, -	, <u>-</u>
Net assets per share attributable to owners of	-	-
the Parent (RM) **	2.31	2.21

^{**} Net assets per share is calculated based on total assets (including intangibles) minus total liabilities divided by the total number of ordinary shares of RM1.00 each in issue as at 30th September 2013.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013 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 30 September 2013 (The figures have not been audited)

	Attributable to Owners of the Parent				Non-Controlling Interest	Total Equity	
	Share Capital RM'000	Revaluation Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000	
6 months period ended 30 September 2013							
Balance as at 1 April 2013	60,000	9,959	62,845	132,804	607	133,411	
Total comprehensive income for the period	-	-	8,179	8,179	2	8,181	
Transactions with owners							
First interim dividend for the year ending 31 March 2014	-	-	(1,200)	(1,200)	-	(1,200)	
Final dividend for the year ended 31 March 2013	-	-	(1,200)	(1,200)	-	(1,200)	
Balance as at 30 September 2013	60,000	9,959	68,624	138,583	609	139,192	
	-	-	-		-	-	
6 months period ended 30 September 2012							
Balance as at 1 April 2012	60,000	9,959	54,872	124,831	528	125,359	
Total comprehensive income for the period		-	6,289	6,289	83	6,372	
Transactions with owners							
First interim dividend for the year ended 31 March 2013	-	-	(600)	(600)	-	(600)	
Final dividend for the year ended 31 March 2012	-	-	(1,200)	(1,200)	-	(1,200)	
Total transactions with owners		-	(1,800)	(1,800)	-	(1,800)	
Balance as at 30 September 2012	60,000	9,959	59,361	129,320	611	129,931	

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013 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 30 September 2013 (The figures have not been audited)

	CURRENT PERIOD ENDED 30/09/2013 RM'000	PRECEDING PERIOD ENDED 30/09/2012 RM'000
OPERATING ACTIVITIES		
Profit before tax	10,352	7,960
Adjustments for non cash items	3,929 14,281	3,066
	14,261	11,026
Changes in working capital Net cash generated from operating activities	(722) 13,559	2,838 13,864
Interest income	111	116
Interest paid Income taxes paid	(133) (1,406)	(58) (1,811)
Net cash flows from operating activities	12,131	12,111
INVESTING ACTIVITIES		
Purchase of property, plant and equipment Proceeds from disposal of:	(2,872)	(9,758)
- property, plant and equipment	8	-
Net cash used in investing activities	(2,864)	(9,758)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	-	6,039
Dividends paid on ordinary shares Repayment of loans and borrowings	(1,200) (1,467)	(2,380)
Net cash (used in)/from financing activities	(2,667)	3,659
Net Change in Cash & Cash Equivalents	6,600	6,012
Effect of exchange rate changes on cash and cash equivalents	284	160
Cash and Cash Equivalents at beginning of period	15,166	11,616
Cash and Cash Equivalents at end of period	22,050	17,788
Cash and cash equivalents at the end of the financial period comprise the following:	30/09/2013 RM'000	30/09/2012 RM'000
Short term deposits with licensed bank	7,123	6,875
Cash and bank balances Bank overdraft	15,536 (609)	11,848 (935)
	22,050	17,788

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

A. INFORMATION REQUIRED BY FRS 134

1. Basis of Preparation

The condensed interim financial report is unaudited and has been prepared in accordance with FRS 134 - Interim Financial Reporting and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements, and should be read in conjunction with the audited financial statements for the year ended 31 March 2013.

The accounting policies, methods of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2013, except for the adoption of the following new/revised Financial Reporting Standard ("FRS"), amendments to published standards and interpretations to existing standards which are applicable to the Group as follows:

FRS 101	Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)
Amendments to FRS 101	Presentation of Financial Statements (Improvements to FRSs (2012))
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial
Amendments to FRS 7	Liabilities
Amendments to FRS 1	Government Loans
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The above amendments are not expected to have a material impact on the Group's financial statements.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework) to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are known as Transitioning Entities. Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework for an additional one year.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

1. Basis of Preparation (continued)

Subsequently, MASB announced that the Transitioning Entities are allowed to extend the deferment of the adoption of the new MFRS Framework for another year. As such, the MFRS Framework will be mandatory for all companies for annual period beginning on or after 1 January 2014. The Group falls within the scope definition of Transitioning Entities, and therefore will prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015.

2. Seasonal or Cyclical Factors

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

3. Exceptional / Extraordinary Items

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

4. 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.

5. Debts and Equity Securities

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

6. Dividend Paid

A final single tier dividend of 2 sen per share, amounting to RM1,200,000 for the financial year ended 31 March 2013 was approved during the 17th Annual General Meeting held on 28 August 2013 and was paid on 1 October 2013.

A first interim single tier dividend of 2 sen per share, amounting to RM1,200,000 for the financial year ending 31 March 2014 was declared during the 55th Board of Directors Meeting held on 28 August 2013 and was paid on 1 October 2013.

7. 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:

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

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

7. Segment information (continued)

30 September 2013	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
·						
Revenue:						
External customers	109,997	98	-	-		110,095
Inter-segment		-	1,637	(1,637)	Α	
Total revenue	109,997	98	1,637	(1,637)		110,095
Results:						
Interest income	111	-	-	-		111
Depreciation of:						
- Property, plant and equipment	3,402	-	-	-		3,402
- Investment properties	8	-	-	-		8
Segment profit	10,318	34	1,493	(1,493)	В	10,352
Assets:						
Additions to non-current assets	2,872	-	-	-	С	2,872
Segment assets	170,211	8,212	-	<u>-</u>	D	178,423
Segment liabilities	37,272	1,959	-	<u>-</u>	E	39,231

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

7. Segment information (continued)

30 September 2012	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
Revenue:						
External customers	98,282	3,583	-	-		101,865
Inter-segment		-	3,274	(3,274)	Α	
Total revenue	98,282	3,583	3,274	(3,274)		101,865
Results:						
Interest income	116	-	-	-		116
Depreciation of:						
- Property, plant and equipment	3,048	-	-	-		3,048
- Investment properties	8	-	-	-		8
Segment profit	6,855	1,105	3,031	(3,031)	В	7,960
Assets:						
Additions to non-current assets	9,758	-	-	-	С	9,758
Segment assets	158,474	8,946	-	<u>-</u>	D	167,420
Segment liabilities	36,098	1,391	-	<u>-</u>	E	37,489

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

7. Segment Information (continued)

- A Inter-segment revenues are eliminated on consolidation.
- B The following items are added to/ (deducted from) segment profit to arrive at total consolidated profit before tax:

	30.09.2013 RM'000	30.09.2012 RM'000
Dividend income from inter-segment Unallocated corporate expenses	1,637 (144)	3,274 (243)
	1,493	3,031

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

	Reven	ues
	<u>30.09.2013</u>	30.09.2012
	RM'000	RM'000
Malaysia	49,428	50,794
Asia	39,282	33,781
Middle East	5,946	5,310
Africa	935	892
Europe	2,258	274
America	9,632	8,084
Others	2,614	2,730
Total reported segments	110,095	101,865

The Group does not have single external customers that constitute 10% or more of the entity's revenue.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

8. Significant Related Party Disclosures

The significant related party transactions and balances 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.

Sale of Goods

	Transactions for the 6 months period ended <u>30.09.2013</u> RM'000	Outstanding balance as at 30.09.2013 RM'000
Syarikat Perniagaan Chong Mah	2,386	392

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.

9. Material Events Subsequent to the End of the Reporting Period

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

10. Changes in the Composition of the Group

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

11. Contingent Liabilities

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

12. Capital Commitments

As at 30.09.2013 RM'000

Authorised, contracted but not provided for:-

- purchase of property, plant and equipment

861

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

B. Additional information required by Bursa Malaysia Listing Requirements

1. Review of Performance

	Current quarter 30.09.2013 RM'000	Preceding year corresponding quarter 30.09.2012 RM'000	Current period to date 30.09.2013 RM'000	Preceding year corresponding period 30.09.2012 RM'000
Revenue	56,136	50,080	110,095	101,865
Profit before tax	5,308	5,503	10,352	7,960

For current quarter and current period to date, the Group has recorded higher revenue as a result of higher demand from customers in the snack food and confectioneries segment as compared to corresponding quarter and period to date in preceding year respectively. The increase was however, partially offset by the decrease in revenue from property development segment.

Profit before tax for the current period to date increased in line with the increase in revenue as compared to corresponding period to date in preceding year. This was mainly due to the selling and distribution costs remained constant and the decrease in administrative expenses. Despite of the increase in revenue for the current quarter as compared to corresponding quarter in preceding year, profit before tax for the current quarter is lower as there was a derivative gain in the corresponding quarter in preceding year.

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

	Current Quarter RM'000	Preceding Quarter RM'000
Revenue	56,136	53,959
Profit before tax	5,308	5,044

The increase in revenue of approximately 4% for the current quarter as compared to the preceding quarter was mainly due to higher demand from customers in the snack food and confectioneries segment.

The increase in profit before tax in the current quarter as compared to the preceding quarter was due to higher revenue being generated. However, such increase was offset by higher selling and distribution cost as well as derivative losses and lower unrealised foreign exchange gain being recognised during the current quarter.

3. Group's Prospects

Despite facing various challenges of competitive markets, the Board expects that the performance of the Group will be satisfactory for the coming financial year ending 31 March 2014.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

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 30.09.2013	Preceding year corresponding quarter 30.09.2012	Current period to date 30.09.2013	Preceding year corresponding period 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Income taxation in Malaysia - current year Deferred taxation	656	378	1,342	941
 origination and reversal of temporary differences 	530	331	829	647
	1,186	709	2,171	1,588

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

8. Purchases or Disposals of Quoted Securities

There was 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.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

10. Group borrowings

, .	As at 30.09.2013 RM'000
Borrowings - current	
Term loans (unsecured)	1,683
Bank overdraft (unsecured)	609
	2,292
Borrowings – non-current	
Term loans (unsecured)	4,635

The borrowings are denominated in Ringgit Malaysia except for an amount of approximately RM177,071 which is denominated in USD.

11. Derivatives

The outstanding Forward Foreign Exchange Contracts as at 30 September 2013 are as follows:

<u>Currency</u>	Notional Value RM'000	<u>Fair Value</u> <u>RM'000</u>
Foreign Exchange Contracts to sell USD (less than 1 year)	2,892	2,780

These forward foreign exchange contracts were entered into to hedge against fluctuations of exchange rate in USD.

There is minimal credit and market risk as the forward contracts are executed with creditworthy financial institutions. The Group is of the view that the possibility of non performance by the financial institutions is remote on the basis of their financial strength.

12. Material Litigation

There was no pending material litigation since the last annual statement of financial position date till the date of this interim report.

13. Dividend

On 21 November 2013, the Board of Directors declared a second interim single tier dividend of 2 sen per share (30 September 2012: single tier dividend of 3 sen per share), on 60,000,000 ordinary shares, amounting to RM1,200,000 for the financial year ending 31 March 2014 to be paid on 2 January 2014. The entitlement date is fixed at 9 December 2013.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

14. Earnings per Share

	Current Quarter 30.09.2013	Preceding Year Corresponding Quarter 30.09.2012	Current Period To Date 30.09.2013	Preceding Year Corresponding Period 30.09.2012
Profit attributable to owners of the parent (RM'000)	4,119	4,753	8,179	6,289
Number of ordinary shares in issue ('000)	60,000	60,000	60,000	60,000
Basic earnings per share (sen)	6.87	7.92 ———	13.63	10.48

15. Audit Report

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

16. Profit before Tax

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

	Current Quarter	Current Period To Date
	30.09.2013 RM'000	30.09.2013 RM'000
Interest income	(56)	(111)
Rental income	(22)	(45)
Interest expense	62	133
Property, plant and equipment		
- depreciation	1,702	3,402
- loss on disposal	35	27
- write-off	-	25
Investment properties		
- depreciation	4	8
Foreign exchange (gain)/loss		
- realised	(435)	(357)
- unrealised	`509	(97)
Derivatives loss	170	73
Allowance for doubtful debts no longer required	-	(14)
Inventories written off	317	469

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 30 September 2013.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30th SEPTEMBER 2013

17. Realised and Unrealised Profits/Losses Disclosure

	As at <u>30.09.2013</u> RM'000	As at <u>30.09.2012</u> RM'000
Total retained earnings of Oriental Food Industries Holdings Berhad and its subsidiaries:		
- Realised - Unrealised	106,131 (7,381)	95,230 (5,742)
Less: Consolidation adjustments	98,750 (30,126)	89,488 (30,127)
	68,624	59,361

For and on behalf of

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

Datuk Son Chen Chuan Managing Director

Dated: 21 November 2013