

Quarterly Report on consolidated results for the fourth financial quarter ended 30th June 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 30.06.2020 RM'000	Quarter Ended 30.06.2019 RM'000	Year To Date Ended 30.06.2020 RM'000	Year To Date Ended 30.06.2019 RM'000
Revenue	744,687	432,812	2,572,493	2,272,914
Cost of Sales	<u>(700,088)</u>	<u>(407,155)</u>	<u>(2,414,834)</u>	<u>(2,164,416)</u>
Gross Profit	44,599	25,657	157,659	108,498
Other Operating Income	(5,796)	7,573	2,209	9,865
Selling and Distribution Costs	(3,959)	(3,755)	(16,941)	(17,740)
Administrative Expenses	(22,983)	(15,183)	(66,316)	(50,427)
Other Expenses	7,009	(4,860)	(13,053)	(4,262)
Finance Costs	<u>(3,202)</u>	<u>(2,881)</u>	<u>(10,484)</u>	<u>(12,640)</u>
Profit Before Tax	15,668	6,551	53,074	33,294
Tax Expense	<u>(3,474)</u>	<u>(1,669)</u>	<u>(7,754)</u>	<u>(6,220)</u>
Profit for the Period	12,194	4,882	45,320	27,074
Other Comprehensive Income, net of tax	<u>(82)</u>	<u>162</u>	<u>195</u>	<u>148</u>
Total Comprehensive Income	<u>12,112</u>	<u>5,044</u>	<u>45,515</u>	<u>27,222</u>
Profit Attributable to :				
Owners of the parent	7,993	3,155	30,123	19,037
Non-Controlling Interest	<u>4,201</u>	<u>1,727</u>	<u>15,197</u>	<u>8,037</u>
	<u>12,194</u>	<u>4,882</u>	<u>45,320</u>	<u>27,074</u>
Basic earnings per share attributable to equity holders of the Company (sen)	<u>4.93</u>	<u>1.95</u>	<u>18.59</u>	<u>11.75</u>
Total Comprehensive Income Attributable to:				
Owners of the parent	7,942	3,302	30,240	19,171
Non-Controlling Interest	<u>4,170</u>	<u>1,742</u>	<u>15,275</u>	<u>8,051</u>
	<u>12,112</u>	<u>5,044</u>	<u>45,515</u>	<u>27,222</u>

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.06.2020 RM'000	Audited as at 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	77,375	84,951
Right-Of-Use Assets	21,704	-
Intangible Assets	11,261	11,261
Other Investment	10	10
Deferred Tax Assets	8	-
	<u>110,358</u>	<u>96,222</u>
Current Assets		
Inventories	58,586	46,327
Trade Receivables	444,990	287,268
Other Receivables	23,769	16,407
Current Tax Assets	1,315	5,889
Derivative Assets	664	1,711
Deposits With Licensed Banks	27,220	23,700
Cash and Bank Balances	138,202	96,445
	<u>694,746</u>	<u>477,747</u>
TOTAL ASSETS	<u><u>805,104</u></u>	<u><u>573,969</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	95,147	95,147
Reserves	132,525	115,245
	<u>227,672</u>	<u>210,392</u>
Non-Controlling Interests	40,134	31,733
Total Equity	<u>267,806</u>	<u>242,125</u>
Non-Current Liabilities		
Long Term Loans	9,021	14,616
Hire Purchase Creditors	-	2,093
Retirement Benefit Obligations	538	500
Lease Liabilities	6,657	-
Deferred Tax Liabilities	999	1,145
	<u>17,215</u>	<u>18,354</u>
Current Liabilities		
Trade Payables	81,859	82,759
Other Payables	57,107	39,375
Derivative Liabilities	12,185	5,330
Hire Purchase Creditors	-	1,461
Lease Liabilities	2,390	-
Bank Borrowings	366,115	183,887
Current Tax Liabilities	427	678
	<u>520,083</u>	<u>313,490</u>
Total Liabilities	<u>537,298</u>	<u>331,844</u>
TOTAL EQUITY AND LIABILITIES	<u><u>805,104</u></u>	<u><u>573,969</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.41	1.30

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non- Distributable	Distributable	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Foreign Exchange Reserve RM'000	Retained Earnings RM'000			
12 months ended 30th June 2020						
At 1st July 2019	95,147	39	115,206	210,392	31,733	242,125
Profit For The Period	-	-	30,123	30,123	15,197	45,320
Foreign Currency Translation	-	117	-	117	78	195
Total Comprehensive Income	-	117	30,123	30,240	15,275	45,515
Dividend Paid	-	-	(12,960)	(12,960)	-	(12,960)
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	-	-	(6,874)	(6,874)
At 30th June 2020	95,147	156	132,369	227,672	40,134	267,806
12 months ended 30th June 2019						
At 1st July 2018	95,147	18	115,988	211,153	29,732	240,885
Effect of adoption of MRFS 9 As Restated	-	-	(3,732)	(3,732)	-	(3,732)
	95,147	18	112,256	207,421	29,732	237,153
Profit For The Period	-	-	19,037	19,037	8,037	27,074
Foreign Currency Translation	-	21	-	21	14	35
Re-measurement of Defined Benefit Liability	-	-	113	113	-	113
Total Comprehensive Income	-	21	19,150	19,171	8,051	27,222
Dividend Paid	-	-	(16,200)	(16,200)	-	(16,200)
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	-	-	(6,050)	(6,050)
At 30th June 2019	95,147	39	115,206	210,392	31,733	242,125

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.06.2020 RM'000	Corresponding Year To Date Ended 30.06.2019 RM'000
Profit Before Taxation	53,074	33,294
Adjustment for :-		
Non-Cash Items	22,249	19,360
Non-Operating Items	5,138	2,790
Operating Profit Before Working Capital Changes	80,461	55,444
Changes in Working Capital		
Net Change in Current Assets	(179,480)	11,050
Net Change in Current Liabilities	25,879	27,718
Cash Used In Operating Activities	(73,140)	94,212
Tax Paid	(3,732)	(7,904)
Contribution Paid for Retirement Benefit	-	(244)
Net Cash Used In Operating Activities	(76,872)	86,064
Investing Activities		
Purchase of Property, Plant and Equipment	(22,840)	(22,670)
Interest Received	1,833	2,036
Uplift/(Placement) of Deposits with Maturity Periods of more than three months	5,000	(12,900)
Proceeds from Sale of Property, Plant and Equipment	200	118
Net Cash Used In Investing Activities	(15,807)	(33,416)
Financing Activities		
Dividend Paid to Shareholders	(12,960)	(16,200)
Dividend Paid to Non-Controlling Interest in a Subsidiary	(6,874)	(6,050)
Net Drawdown of Borrowings	173,398	(41,642)
Interest Paid	(10,484)	(12,640)
Net Cash From Financing Activities	143,080	(76,532)
Net Increase in Cash and Cash Equivalents	50,401	(23,884)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	195	3,383
Cash and Cash Equivalents at beginning of financial year	99,826	120,327
Cash and Cash Equivalents at end of financial period	150,422	99,826
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	27,220	96,445
Cash and Bank Balances	138,202	23,700
Bank Overdraft	-	(319)
	165,422	119,826
Less: Deposits with maturity more than three months	(15,000)	(20,000)
	150,422	99,826

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2019 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 2019. 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 2019.

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 2019 except for the adoption of the newly issued Malaysian Financial Reporting Standards (MFRS), interpretations and amendments to standards to be applied by all Entities Other Than Private Entities for the financial period beginning on or after 1st January 2019.

MFRS 16 Leases

MFRS 16 eliminates the distinction between finance and operating leases. All leases will be brought onto the statement of financial position except for short-term and low value asset leases. The Group adopted MFRS 16 using a modified retrospective method. The Group did not restate the comparative amounts, which continued to be reported under MFRS 117.

On the date of initial recognition, the Group applied the transition approach and did not restate comparative amounts for the periods prior to first adoption.

At the commencement date of a lease, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the lease liability is accreted over time with interest expense recognised in the profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate as the discount rate. The carrying amount of the lease liability is subsequently increased by the interest on the lease liability and reduced to reflect the lease payment made. In addition, the carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 2019 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 June 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
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 June 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	742,156	2,531	-	744,687
Operating Profit/(Loss)	20,540	(524)	(1,146)	18,870
Profit/(Loss) Before Tax	17,399	(530)	(1,201)	15,668
Segments assets				
Total Assets	705,939	31,490	67,675	805,104

	3 months ended 30th June 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	424,571	8,241	-	432,812
Operating Profit/(Loss)	10,009	240	(817)	9,432
Profit/(Loss) Before Tax	7,145	225	(819)	6,551
Segments assets				
Total Assets	486,062	34,392	53,473	573,927

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 2019.

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 to date.

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 30.06.2020 RM'000
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>375,136</u>
(ii) Hire purchase and lease facilities granted to subsidiaries	<u>-</u>

A13 Capital Commitments

	As at 30.06.2020 RM'000
Authorised and contracted for	<u>3,086</u>
Authorised but not contracted for	<u>326</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			
	4th Qtr 2020 RM'000	4th Qtr 2019 RM'000	Changes RM'000	Variance %	4th Qtr 2020 RM'000	4th Qtr 2019 RM'000	Changes RM'000	Variance %
Revenue	744,687	432,812	311,875	72%	2,572,493	2,272,914	299,579	13%
Operating Profit	18,870	9,432	9,438	100%	63,558	45,934	17,624	38%
Profit before tax	15,668	6,551	9,117	139%	53,074	33,294	19,780	59%
Profit after tax	12,194	4,882	7,312	150%	45,320	27,074	18,246	67%

For the current quarter, the Group recorded revenue of RM744.69 million, an increase of 72% compared to revenue of RM432.81 million recorded in the corresponding quarter last year. The higher revenue for this quarter is mainly due to the 44% increase in FCLs shipped out, 9.4% increase in average olein prices and the 3.8% strengthening of the US Dollar vs Ringgit Malaysia.

Operating margins increased by 100% due to improved selling margins brought by increased demand, favourable olein purchase costs however moderated by the higher unrealised derivative losses due to the sudden US Dollar spike against the Ringgit Malaysia.

B2 Variation of Results Against Preceding Quarter

Description	4th Qtr 2020 RM'000	3rd Qtr 2020 RM'000	Changes RM'000	Variance %
Revenue	744,687	722,529	22,158	3%
Operating Profit	18,870	5,971	12,899	216%
Profit before tax	15,668	2,882	12,786	444%
Profit after tax	12,194	1,845	10,349	561%

For the current quarter, revenue only increased by 3% as compared to the preceding quarter due to the 19.7% increase in FCLs shipped out that was moderated by the 17.4% drop in average olein prices.

Operating margins for the current quarter increased by more than 2 times due to higher selling margins, higher demand and favourable olein purchase costs however also moderated by sudden US Dollar spike against the Ringgit Malaysia.

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	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Taxation comprises:-				
- Income Tax				
Current Period	3,553	1,027	7,964	5,252
(Over)/Under provision in prior year	1	(341)	(89)	(50)
- Deferred Tax	(80)	983	(121)	1,018
	<u>3,474</u>	<u>1,669</u>	<u>7,754</u>	<u>6,220</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 June 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	366,115	-	366,115
Non-Current	9,021	-	9,021
	<u>375,136</u>	<u>-</u>	<u>375,136</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	
	30.06.2020 RM'000	30.06.2019 RM'000
Forward Contracts		
Less than 1 year		
Contract/Notional Value	848,712	470,852
Fair Value	(11,521)	(3,619)

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 2019 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

For the current financial year ended 30th June 2020, the Board of Directors recommend a single tier final dividend of 10 sen per share, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company. The dates of the Annual General Meeting and book closure for the said dividend will be announced in due course.

B11 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Profit attributable to equity holders of the Company (RM'000)	7,993	3,155	30,123	19,037
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	4.93	1.95	18.59	11.75