

Quarterly Report on consolidated results for the second financial quarter ended 31st December 2021

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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 31.12.2021 RM'000	Quarter Ended 31.12.2020 RM'000	Year To Date Ended 31.12.2021 RM'000	Year To Date Ended 31.12.2020 RM'000
Revenue	958,780	680,295	2,023,128	1,402,685
Cost of Sales	<u>(903,994)</u>	<u>(650,044)</u>	<u>(1,908,757)</u>	<u>(1,328,281)</u>
Gross Profit	54,786	30,251	114,371	74,404
Other Operating Income	3,178	14,041	6,455	20,080
Selling and Distribution Costs	(3,271)	(3,543)	(7,367)	(8,092)
Administrative Expenses	(23,170)	(14,199)	(51,480)	(36,652)
Finance Costs	<u>(1,129)</u>	<u>(1,463)</u>	<u>(2,446)</u>	<u>(4,118)</u>
<b>Profit Before Tax</b>	30,394	25,087	59,533	45,622
Tax Expense	<u>(957)</u>	<u>(2,905)</u>	<u>(2,755)</u>	<u>(1,334)</u>
<b>Profit for the Period</b>	29,437	22,182	56,778	44,288
<b>Other Comprehensive Income, net of tax</b>	<u>60</u>	<u>(248)</u>	<u>5</u>	<u>(443)</u>
<b>Total Comprehensive Income</b>	<u>29,497</u>	<u>21,934</u>	<u>56,783</u>	<u>43,845</u>
<b>Profit Attributable to :</b>				
Owners of the parent	16,219	12,692	28,777	27,407
Non-Controlling Interest	<u>13,218</u>	<u>9,490</u>	<u>28,001</u>	<u>16,881</u>
	<u>29,437</u>	<u>22,182</u>	<u>56,778</u>	<u>44,288</u>
Basic earnings per share attributable to equity holders of the Company (sen)	<u>10.01</u>	<u>7.83</u>	<u>17.76</u>	<u>16.92</u>
<b>Total Comprehensive Income Attributable to:</b>				
Owners of the parent	16,255	12,545	28,780	27,141
Non-Controlling Interest	<u>13,242</u>	<u>9,389</u>	<u>28,003</u>	<u>16,704</u>
	<u>29,497</u>	<u>21,934</u>	<u>56,783</u>	<u>43,845</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 31.12.2021 RM'000	Audited as at 30.06.2021 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	75,265	76,353
Right-Of-Use Assets	16,848	18,791
Intangible Assets	17,261	17,261
Other Investment	10	10
	<u>109,384</u>	<u>112,415</u>
<b>Current Assets</b>		
Inventories	74,133	72,228
Trade Receivables	454,462	446,445
Other Receivables	7,039	19,745
Current Tax Assets	5,031	4,956
Derivative Assets	13,621	6,844
Deposits With Licensed Banks	25,850	26,300
Short Term Funds	50,542	-
Cash and Bank Balances	73,022	161,009
	<u>703,700</u>	<u>737,527</u>
<b>TOTAL ASSETS</b>	<u>813,084</u>	<u>849,942</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	95,147	95,147
Reserves	195,521	186,181
	<u>290,668</u>	<u>281,328</u>
<b>Non-Controlling Interests</b>	87,959	74,146
<b>Total Equity</b>	<u>378,627</u>	<u>355,474</u>
<b>Non-Current Liabilities</b>		
Long Term Loans	6,930	4,996
Retirement Benefit Obligations	638	578
Lease Liabilities	5,564	5,690
Deferred Tax Liabilities	1,020	1,020
	<u>14,152</u>	<u>12,284</u>
<b>Current Liabilities</b>		
Trade Payables	37,169	90,542
Other Payables	93,606	90,745
Derivative Liabilities	5,711	2,848
Lease Liabilities	1,093	1,959
Bank Borrowings	282,032	295,180
Current Tax Liabilities	694	910
	<u>420,305</u>	<u>482,184</u>
<b>Total Liabilities</b>	<u>434,457</u>	<u>494,468</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>813,084</u>	<u>849,942</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.79	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	Distributable	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Foreign Exchange Reserve RM'000	Retained Earnings RM'000			
<b>6 months ended 31st December 2021</b>						
At 1st July 2021	95,147	55	186,126	281,328	74,146	355,474
Profit For The Year	-	-	28,777	28,777	28,001	56,778
Foreign Currency Translation	-	3	-	3	2	5
Total Comprehensive Income	-	3	28,777	28,780	28,003	56,783
Dividend Paid	-	-	(19,440)	(19,440)	-	(19,440)
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	-	-	(14,190)	(14,190)
At 31st December 2021	95,147	58	195,463	290,668	87,959	378,627
<b>6 months ended 31st December 2020</b>						
At 1st July 2020	95,147	156	132,360	227,663	40,134	267,797
Profit For The Year	-	-	27,407	27,407	16,881	44,288
Foreign Currency Translation	-	(265)	-	(265)	(178)	(443)
Total Comprehensive Income	-	(265)	27,407	27,142	16,703	43,845
Dividend Paid To Non-Controlling Interest of A Subsidiary	-	-	(16,200)	(16,200)	(5,335)	(21,535)
At 31st December 2020	95,147	(109)	143,567	238,605	51,502	290,107

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 31.12.2021 RM'000	Corresponding Year To Date Ended 31.12.2020 RM'000
Profit Before Taxation	59,533	45,622
Adjustment for :-		
Non-Cash Items	9,263	6,684
Non-Operating Items	(3,950)	(18,039)
Operating Profit Before Working Capital Changes	<u>64,846</u>	<u>34,267</u>
Changes in Working Capital		
Net Change in Current Assets	1,737	107,158
Net Change in Current Liabilities	(50,509)	(16,174)
Cash From Operating Activities	<u>16,074</u>	<u>125,251</u>
Tax Paid	(3,047)	(2,419)
Interest Paid	(2,446)	(4,118)
Net Cash From Operating Activities	<u>10,581</u>	<u>118,714</u>
Investing Activities		
Purchase of Property, Plant and Equipment	(3,619)	(4,722)
Proceed From Disposal of Property, Plant and Equipment	36	-
Interest Received	770	904
Placement of Deposits with Maturity Periods of more than three months	(6,500)	(5,000)
Net Cash Used In Investing Activities	<u>(9,313)</u>	<u>(8,818)</u>
Financing Activities		
Dividend Paid to Shareholders	(19,440)	(16,200)
Dividend Paid to Non-Controlling Interest in a Subsidiary	(14,190)	(5,335)
Net Repayment of Borrowings	(12,206)	(119,627)
Net Cash Used In Financing Activities	<u>(45,836)</u>	<u>(141,162)</u>
Net Decrease in Cash and Cash Equivalents	(44,568)	(31,266)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	173	(271)
Cash and Cash Equivalents at beginning of financial year	172,809	150,422
Cash and Cash Equivalents at end of financial period	<u>128,414</u>	<u>118,885</u>
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	25,850	22,487
Short Term Funds	50,542	43,231
Cash and Bank Balances	73,022	73,167
	<u>149,414</u>	<u>138,885</u>
Less: Deposits with maturity more than three months	(21,000)	(20,000)
	<u>128,414</u>	<u>118,885</u>

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**

A final single-tier dividend of 12 sen per ordinary share in respect of financial year ended 30th June 2021 amounting to RM19,440,000.00 was paid on 11th November 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 31st December 2021			
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
<b>Segments revenues and results</b>				
Revenue	953,713	5,067	-	958,780
Operating Profit/(Loss)	32,955	(362)	(1,070)	31,523
Profit/(Loss) Before Tax	31,847	(373)	(1,080)	30,394
<b>Segments assets</b>				
Total Assets	708,444	28,156	76,484	813,084

	3 months ended 31st December 2020			
	Edible oil products RM'000	Tapware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
<b>Segments revenues and results</b>				
Revenue	673,346	6,949	-	680,295
Operating Profit/(Loss)	27,343	257	(1,050)	26,550
Profit/(Loss) Before Tax	25,908	244	(1,065)	25,087
<b>Segments assets</b>				
Total Assets	604,398	31,764	64,770	700,932

**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 31.12.2021 RM'000
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>288,962</u>

**A13 Capital Commitments**

	As at 31.12.2021 RM'000
Authorised and contracted for	<u>-</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			
	2nd Qtr 2022 RM'000	2nd Qtr 2021 RM'000	Changes RM'000	Variance %	2nd Qtr 2022 RM'000	2nd Qtr 2021 RM'000	Changes RM'000	Variance %
Revenue	958,780	680,295	278,485	41%	2,023,128	1,402,685	620,443	44%
Operating Profit	31,523	26,550	4,973	19%	61,979	49,740	12,239	25%
Profit before tax	30,394	25,087	5,307	21%	59,533	45,622	13,911	30%
Profit after tax	29,437	22,182	7,255	33%	56,778	44,288	12,490	28%

The higher revenue for the current quarter is attributed to the almost 60% increase in average olein prices and the 2% strengthening of the US Dollars against the Ringgit Malaysia. This is against a 10% drop in FCLs exported due to shipments rollover and the shortages of freight lines.

Operating and net margins for this quarter decreased compared to the previous year's quarter due to destination markets holding out for prices to fall. Thus, to maintain market presence some price and margin concessions were given to our regular customers.

Profit after tax improved by 33% for this year's quarter and 28% for the cumulative 6 months despite of a subsidiary reporting an after-tax loss of RM3.8 million and cumulative 6 months after-tax loss of RM12.5 million arising from the restructuring of its current business model, streamlining of its operations and revamping of its credit terms and policies.

**B2 Variation of Results Against Preceding Quarter**

Description	2nd Qtr 2022 RM'000	1st Qtr 2022 RM'000	Changes RM'000	Variance %
Revenue	958,780	1,064,348	(105,568)	-10%
Operating Profit	31,523	30,455	1,068	4%
Profit before tax	30,394	29,138	1,256	4%
Profit after tax	29,437	27,340	2,097	8%

For the current quarter, revenue decreased by 10% due to the over 20% decrease in FCIs exported as compared to the preceding quarter which was moderated by an almost 20% increase in average olein prices.

Operating and net margins for this quarter improved due to higher selling prices and increased margins from end destination customers as compared to the preceding quarter.

**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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Taxation comprises:-				
- Income Tax				
Current Period	957	1,092	2,755	2,409
Under/(Over) provision in prior year	-	1,834	-	(1,054)
- Deferred Tax	-	(21)	-	(21)
	<u>957</u>	<u>2,905</u>	<u>2,755</u>	<u>1,334</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 31st December 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	282,032	-	282,032
Non-Current	6,930	-	6,930
	<u>288,962</u>	<u>-</u>	<u>288,962</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	
	31.12.2021 RM'000	31.12.2020 RM'000
<b>Forward Contracts</b>		
Less than 1 year		
Contract/Notional Value	856,828	786,622
Fair Value	7,910	6,525

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 31st December 2021.

**B11 Earnings Per Share**

	Quarter Ended		Year To Date Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to equity holders of the Company (RM'000)	16,219	12,692	28,777	27,407
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	10.01	7.83	17.76	16.92