

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarter ended 31 March 2019
(The figures have not been audited)

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/03/2018 RM'000	CURRENT PERIOD TO-DATE 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 31/03/2018 RM'000
Revenue	65,339	73,223	286,838	288,310
Cost of sales	(55,104)	(59,614)	(235,967)	(230,279)
Gross Profit	10,235	13,609	50,871	58,031
Other operating income/(expense)	1,304	158	3,915	1,096
Selling & distribution costs	(2,767)	(6,953)	(14,661)	(22,197)
Administrative expenses	(5,135)	(7,488)	(20,891)	(27,793)
Finance costs	(322)	(350)	(1,061)	(882)
Profit before tax	3,315	(1,024)	18,173	8,255
Tax expense	392	1,291	(3,542)	2,943
Profit net of tax, for the year	3,707	267	14,631	11,198
Other comprehensive income				
Net loss on equity investment designated at fair value through other comprehensive income				
- fair value changes	(2,063)	-	(346)	-
Other comprehensive income for the year	(2,063)	-	(346)	-
Total comprehensive income for the year	1,644	267	14,285	11,198
Total Profit Attributable to :				
Owners of the parent	3,707	267	14,631	11,202
Non-controlling interest	-	-	-	(4)
	3,707	267	14,631	11,198
Total Comprehensive Income Attributable to :				
Owners of the parent	1,644	267	14,285	11,202
Non-controlling interest	-	-	-	(4)
	1,644	267	14,285	11,198
Earnings per share (Note B 15)				
- Basic (Sen)	1.54	0.11	6.10	4.67
- 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 2018 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

	31 Mar 2019 Unaudited RM'000	31 March 2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	139,941	142,919
Investment properties	6,127	5,079
Investment security	2,288	372
Land held for property development	962	962
	<u>149,318</u>	<u>149,332</u>
Current assets		
Inventories	37,587	29,145
Trade and other receivables	50,644	60,305
Other current assets	5,110	3,221
Income tax recoverable	3,769	3,507
Cash and bank balances	9,460	6,101
	<u>106,570</u>	<u>102,279</u>
TOTAL ASSETS	<u>255,888</u>	<u>251,611</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	120,000	120,000
Fair Value Reserve of Financial Assets at FVOCI	1,915	-
Retained earnings	70,629	64,891
	<u>192,544</u>	<u>184,891</u>
Total equity	192,544	184,891
Non-current liabilities		
Loans and borrowings	14,499	12,606
Deferred tax liabilities	7,729	5,766
	<u>22,228</u>	<u>18,372</u>
Current liabilities		
Trade and other payables	29,780	36,394
Dividend payable	-	1,200
Income tax payable	35	-
Loans and borrowings	11,301	10,754
	<u>41,116</u>	<u>48,348</u>
Total liabilities	63,344	66,720
TOTAL EQUITY AND LIABILITIES	<u>255,888</u>	<u>251,611</u>
	-	-
Net assets per share attributable to owners of the Parent (RM) **	0.80	0.77

** Net assets per share is calculated based on total assets (including intangibles) minus total liabilities divided by the total number of ordinary shares in issue as at 31 March 2019.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the quarter ended 31 March 2019
(The figures have not been audited)

	← Attributable to Owners of the Parent →			Total	Non-Controlling Interest	Total Equity
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months period ended 31 March 2019						
Balance as at 1 April 2018	120,000	-	64,891	184,891	-	184,891
Adjustment arising from adoption of MFRS 9 & MFRS 15	-	2,261	(5,293)	(3,032)	-	(3,032)
Total comprehensive income for the year	-	(346)	14,631	14,285	-	14,285
Transactions with owners						
Interim dividend for the year ending 31 March 2019	-	-	(1,200)	(1,200)	-	(1,200)
Interim dividend for the year ending 31 March 2019	-	-	(1,200)	(1,200)	-	(1,200)
Interim dividend for the year ending 31 March 2019	-	-	(1,200)	(1,200)	-	(1,200)
Total transactions with owners	-	-	(3,600)	(3,600)	-	(3,600)
Balance as at 31 March 2019	120,000	1,915	70,629	192,544	-	192,544
12 months period ended 31 March 2018						
Balance as at 1 April 2017	120,000	-	62,089	182,089	648	182,737
Total comprehensive income for the year	-	-	11,202	11,202	(4)	11,198
Transactions with owners						
Additional purchase of shares	-	-	-	-	(644)	(644)
Interim dividend for the year ended 31 March 2017	-	-	(2,400)	(2,400)	-	(2,400)
Interim dividend for the year ended 31 March 2018	-	-	(2,400)	(2,400)	-	(2,400)
Interim dividend for the year ended 31 March 2018	-	-	(2,400)	(2,400)	-	(2,400)
Interim dividend for the year ended 31 March 2018	-	-	(1,200)	(1,200)	-	(1,200)
Total transactions with owners	-	-	(8,400)	(8,400)	(644)	(9,044)
Balance as at 31 March 2018	120,000	-	64,891	184,891	-	184,891

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the quarter ended 31 March 2019
(The figures have not been audited)

	CURRENT YEAR ENDED 31/03/2019 RM'000	PRECEDING YEAR ENDED 31/03/2018 RM'000
OPERATING ACTIVITIES		
Profit before tax	18,173	8,255
Adjustments for non cash items	12,338	12,729
	<u>30,511</u>	<u>20,984</u>
Changes in working capital	(11,150)	(9,653)
Net cash generated from operating activities	<u>19,361</u>	<u>11,331</u>
Interest income	13	77
Interest paid	(1,061)	(882)
Income taxes paid	(1,965)	(4,290)
Income taxes refunded	323	443
Net cash flows from operating activities	<u>16,671</u>	<u>6,679</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,184)	(17,915)
Advances to suppliers of property, plant & equipment	(3,048)	-
Investment properties	-	(119)
Proceeds from disposal of:		
- property, plant and equipment	113	123
Acquisition of non-controlling interests	-	(500)
Net cash used in investing activities	<u>(11,119)</u>	<u>(18,411)</u>
FINANCING ACTIVITIES		
Dividends paid on ordinary shares	(4,800)	(9,600)
Drawdown/(repayment) of loans and borrowings	4,041	5,398
Net cash used in financing activities	<u>(759)</u>	<u>(4,202)</u>
Net Change in Cash & Cash Equivalents	4,793	(15,934)
Effect of exchange rate changes on cash and cash equivalents	167	(553)
Cash and Cash Equivalents at beginning of year	2,509	18,996
Cash and Cash Equivalents at end of year	<u>7,469</u>	<u>2,509</u>
Cash and cash equivalents at the end of the financial year comprise the following:	31/03/2019 RM'000	31/03/2018 RM'000
Cash and bank balances	9,460	6,101
Investment in money market fund	(1)	(1)
Bank overdraft	(1,990)	(3,591)
	<u>7,469</u>	<u>2,509</u>

Note : There is no non-cash movement in liabilities arising from financing activities for the year ended 31 March 2019.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018 and the accompanying explanatory notes attached to the interim financial statements.

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019***

A. INFORMATION REQUIRED BY MFRS 134

1. *Basis of Preparation*

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed consolidated interim financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. These explanatory notes attached to the 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 31 March 2018.

2. *Changes in Accounting Policies*

The significant accounting policies and the methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2018, except for the adoption of the following Malaysian Financial Reporting Standards (MFRS), Amendments to MFRS and IC Interpretation for the financial periods beginning on or after 1 April 2018.

- Amendments to MFRS 140 Transfers of Investment Property
- Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 2 Classification and Measurement of Shared-based Payment Transactions
- MFRS 15 Revenue from Contracts with Customers
- Clarifications to MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to MFRS Standards 2014-2016 Cycle

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The three principal classifications categories for financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables (LAR) and available for sale.

As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives for prior periods with respect to classification and measurement (including impairment) requirements.

At the date of initial application on 1 April 2018, the Group had reclassified the financial assets based on existing fact as follow:

	Classification	
	Original (MFRS 139)	New (MFRS 9)
Investment securities	Available-for-sale	FVOCI
Trade and other receivables	LAR	Amortised cost
Cash and bank balances	LAR	Amortised cost

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The differences in carrying amount of RM2.261 m for the investment securities arising from fair value changes due to the reclassification is recognised in fair value reserve of financial assets at FVOCI on 1 April 2018.

The MFRS 9 application resulted in an additional impairment loss and the impact is recognised in opening retained earnings as at 1 April 2018. The Group applies the simplified approach which required expected credit losses (ECL) to be recognised from the date of initial recognition for trade and other receivables which are financial assets. Based on the provision matrix to calculate the ECL for trade and other receivables, the Group determined the additional impairment loss as follows:

	RM'000
Additional impairment losses recognised at 1 April 2018 on:	
- Trade and other receivables	4,552

MFRS 15 Revenue from Contracts with Customers

Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Upon adoption of MFRS 15, some of the promotional expenses which previously were recognised in Selling and Distribution Costs, have been classified as a reduction in revenue in the financial year ended 2019.

The Group elected to adopt the modified retrospective method where comparatives will not be restated. The cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The Group have elected the practical expedient to apply the standard only to contracts that are not completed as at the date of initial application.

Under MFRS 15, variable considerations are only accounted for if highly probable that there will be no significant reversal of revenue when it is subsequently resolved. The Group recognised a refund liability of RM1.207 m for the expected return from customers and a refund asset of RM0.986 m relating to the rights to the returned products from customers to record the expected right of return and the resulting adjustments were recognised against retained profit as at 1 April 2018.

Generally, the Group receive payment in advances from its customers. It is a consideration received before the transfer of goods to customer and the Group recognised this obligation as a contract liability. Accordingly, the Group recognised a contract liabilities of RM1,279,452 at the date of initial application. Contract liability is recognised as revenue when the Group performed its obligations under the contract.

Please refer to Note 9 for the disclosure of the Group's revenue.

At the date of authorisation of the interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

- MFRS 16 Leases
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- MFRS 17 Insurance Contracts
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Annual Improvements to MFRS Standards 2015-2017 Cycle (Amendments to MFRS 3, 11, 112 & 123)
- Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)
- Amendments to MFRS 2 Share-Based Payment
- Amendment to MFRS 3 Business Combinations
- Amendments to MFRS 3 Business Combinations (Definition of a Business)
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources

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- Amendments to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MRS 101 and MFRS 108 (Definition of Material)
- Amendments to MFRS 134 Interim Financial Reporting
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendment to IC Interpretation 12 Service Concession Arrangements
- Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets-Web Site Costs

3. *Seasonal or Cyclical Factors*

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

4. *Exceptional / Extraordinary Items*

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

5. *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.

6. *Debts and Equity Securities*

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

7. *Dividend Paid*

An interim single tier dividend of 0.50 sen per share, amounting to RM1,200,000 for the financial year ended 31 March 2019 was approved during the 75th Board of Directors Meeting held on 29 August 2018 and was paid on 12 October 2018.

An interim single tier dividend of 0.50 sen per share, amounting to RM1,200,000 for the financial year ended 31 March 2019 was approved during the 76th Board of Directors Meeting held on 29 November 2018 and was paid on 11 January 2019.

An interim single tier dividend of 0.50 sen per share, amounting to RM1,200,000 for the financial year ended 31 March 2019 was approved during the 77th Board of Directors Meeting held on 21 February 2019 and was paid on 29 March 2019.

8. *Segment Information*

Management has determined the operating segments based on the reports used to make strategic decisions.

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019***

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

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

As the activities of the Group are carried out in Malaysia, segmental reporting by geographical location is not presented.

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8. Segment information (continued)

31 March 2019	Manufacturing and marketing of snack food 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	286,838	-	-	-		286,838
Inter-segment	-	-	-	-	A	-
Total revenue	286,838	-	-	-		286,838
Results:						
Interest income	12	1	-	-		13
Depreciation of:						
- Property, plant and equipment	11,805	-	-	-		11,805
- Investment properties	17	134	-	-		151
Other non-cash income	667	-	-	-	B	667
Segment profit/(loss)	17,962	211	3,555	(3,555)	C	18,173
Assets:						
Additions to non-current assets	8,828	-	-	-	D	8,828
Segment assets	248,923	6,864	101	-	E	255,888
Segment liabilities	62,841	106	397	-	F	63,344

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8. Segment information (continued)

31 March 2018	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	286,910	1,400	-	-		288,310
Inter-segment	-	-	8,704	(8,704)	A	-
Total revenue	286,910	1,400	8,704	(8,704)		288,310
Results:						
Interest income	76	1	-	-		77
Depreciation of:						
- Property, plant and equipment	9,841	-	-	-		9,841
- Investment properties	18	101	-	-		119
Other non-cash expenses	1,954	-	-	-	B	1,954
Segment profit	7,856	214	8,167	(7,982)	C	8,255
Assets:						
Additions to non-current assets	20,355	-	-	-	D	20,355
Segment assets	119,333	5,462	126,816	-	E	251,611
Segment liabilities	64,893	244	1,583	-	F	66,720

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019****8. Segment Information (continued)**

A Inter-segment revenues are eliminated on consolidation.

B Other non-cash incomes/(expenses) consist of the following items as presented in the respective notes to the financial statements:

	31.03.2019	31.03.2018
	RM'000	RM'000
Unrealised foreign exchange gain/(loss)	758	(845)
Inventories written down (Reversal)/Impairment loss on trade receivables	(1,405)	(895)
Gain/(loss) on disposal of ppe	1,201	(213)
Property, plant and equipment written off	113	-
	-	(1)
	<u>667</u>	<u>(1,954)</u>

C The following items are added to/(deducted from) segment profit to arrive at total consolidated profit before tax:

	31.03.2019	31.03.2018
	RM'000	RM'000
Dividend income from inter-segment	4,321	8,704
Unallocated corporate expenses	(766)	(722)
	<u>3,555</u>	<u>7,982</u>

D Additions to non-current assets consist of property, plant and equipment and investment property.

E Inter-segment assets are deducted from segment assets to arrive at total assets reported in the condensed consolidated statement of financial position.

F 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 is as follows:

	Revenues			
	01.04.2018 - 31.03.2019		01.04.2017 - 31.03.2018	
	RM'000	%	RM'000	%
Malaysia	100,669	35%	106,698	37%
Asia	130,003	45%	125,268	43%
Others	56,166	20%	56,344	20%
Total reported segments	<u>286,838</u>	<u>100%</u>	<u>288,310</u>	<u>100%</u>

The Group has one external customer that contributed to 11% of the Group's revenue.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. Revenue from Contracts With Customers

The Group's disaggregation of revenue and costs of goods sold are shown below:

	Current Qtr	Preceding Year Corresponding Qtr	Current Period-to-Date	Preceding Year Corresponding Period
<u>Timing of Revenue Recognition</u>	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Goods transferred at a point in time	64,144	73,223	282,630	288,310
Services transferred over time	1,195	-	4,208	-
Total revenue from contracts with customer	65,339	73,223	286,838	288,310

	Current Qtr	Preceding Year Corresponding Qtr	Current Period-to-Date	Preceding Year Corresponding Period
<u>Cost of Goods Sold</u>	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Cost of goods sold	53,909	59,614	231,759	230,279
Shipping services & carriage outwards	1,195	-	4,208	-
Effect of MFRS 15	55,104	59,614	235,967	230,279

10. Significant Related Party Disclosures

The significant related party transactions and outstanding balance 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.

	Transactions for the 12 months period ended 31.03.2019 RM'000	Outstanding balance as at 31.03.2019 RM'000
Sale of goods to Syarikat Perniagaan Chong Mah	2,124	180
Rental income received from Skyline Motion Sdn Bhd	48	-

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.

The Tenancy Agreement entered between OFI Properties Sdn Bhd and Skyline Motion Sdn Bhd are in the ordinary course of business and the transaction has been entered into in arm's-length basis.

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

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

12. Changes in the Composition of the Group

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

13. Contingent Liabilities

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

14. Capital Commitments

	As at 31.03.2019
	RM'000
Authorised, contracted but not provided for:-	
- purchase of property, plant and equipment	2,727
	<u>2,727</u>
	<u><u>2,727</u></u>

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B. Additional information required by Bursa Malaysia Listing Requirements

1. Review of Performance

	<i>Individual Period (3rd Quarter)</i>		<i>Changes (%)</i>	<i>Cumulative Period</i>		<i>Changes (%)</i>
	<i>Current Quarter</i>	<i>Preceding Year Corresponding Quarter</i>		<i>Current Period To- Date</i>	<i>Preceding Year Corresponding Period</i>	
	<i>31/03/2019 RM'000</i>	<i>31/03/2018 RM'000</i>		<i>31/03/2019 RM'000</i>	<i>31/03/2018 RM'000</i>	
Revenue	65,339	73,223	(10.77)	286,838	288,310	(0.51)
Operating Profit/(Loss)	3,637	(674)	639.61	19,234	9,137	110.51
Profit/(Loss) Before Interest and Tax	3,637	(674)	639.61	19,234	9,137	110.51
Profit/(Loss) Before Tax	3,315	(1,024)	423.73	18,173	8,255	120.14
Profit/(Loss) After Tax	3,707	267	1288.39	14,631	11,198	30.66
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,707	267	1288.39	14,631	11,202	30.61

The revenue for the current period to date and current quarter are lower as compared to preceding year corresponding period and quarter due to lower sales from both local and export market. The current financial year's revenue was impacted by the Group's first adoption of MFRS 15 where listing fee and A&P expenses have been reclassified as a deduction from revenue.

Profit before tax for the current period to date and current quarter is higher due to lower operating cost and gain in foreign exchange.

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

	Current Quarter 31/03/2019 RM'000	Immediate Preceding Quarter 30/12/2018 RM'000	Changes (%)
Revenue	65,339	80,978	(19.31)
Operating Profit/(Loss)	3,637	7,545	(51.80)
Profit/(Loss) Before Interest and Tax	3,637	7,545	(51.80)
Profit/(Loss) Before Tax	3,315	7,306	(54.63)
Profit/(Loss) After Tax	3,707	5,119	(27.58)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,707	5,119	(27.58)

The decrease in revenue for the current quarter as compared to the preceding quarter was due to decrease in both local and export sales.

Profit before tax for the current quarter is lower mainly due to lower revenue.

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3. Group's Prospects

The Group is currently making machinery acquisitions for some expansion projects for new product lines. The management expects that these new lines will contribute positively towards the growth and profitability of the Group. These programs are expected to be completed in stages in the next few years.

Despite the increased in raw material cost and facing various challenges of the competitive markets, the Board expects that the performance of the Group will be satisfactory for the financial year ending 31 March 2020.

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 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018	Current Period To Date 31.03.2019	Preceding Year corresponding Period To Date 31.03.2018
	RM'000	RM'000	RM'000	RM'000
Income taxation in Malaysia				
- current year	394	191	1,414	1,928
Deferred taxation				
- origination and reversal of temporary differences	(786)	(1,482)	2,128	(4,871)
	<u>(392)</u>	<u>(1,291)</u>	<u>3,542</u>	<u>(2,943)</u>

The Group's effective tax rate for the current quarter and 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.

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8. Purchases or Disposals of Quoted Securities

There were 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

10. Group Borrowings

	As at 31.03.2019 RM'000	As at 31.03.2018 RM'000
<u>Borrowings – current</u>		
Overdraft - <i>secured</i>	1,990	3,592
Banker Acceptance – <i>secured</i>	3,161	2,000
Term loan - <i>secured</i>	<u>6,150</u>	<u>5,162</u>
	<u>11,301</u>	<u>10,754</u>
 <u>Borrowings – non-current</u>		
Term loan - <i>secured</i>	14,499	12,606

The borrowings are denominated in Ringgit Malaysia and are based on floating interest rates.

11. Derivatives

There were no forward foreign exchange contracts outstanding as at 31 March 2019.

12. Gain/Loss Arising from Fair Value Changes of Financial Liabilities

There was no gain or loss arising from fair value changes of the financial liabilities for the current quarter and current year to date ended 31 March 2019.

13. Material Litigation

There was no material litigation pending since the date of last announcement till the date of this interim report.

14. Dividend

(a) An interim single tier dividend for the financial year ended 31 March 2019, amounting to RM1,680,000 computed based on 240,000,000 ordinary shares as at 31 March 2019, has been declared by the Board of Directors on 23 May 2019:

- (i) Amount per share : Single tier dividend of 0.70 sen per share
- (ii) The previous corresponding period as at 31 March 2018 : Nil
- (iii) Entitlement date : 10 June 2019
- (iv) Payment Date : 8 July 2019

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(b) The total dividend declared for the current financial year ended 31 March 2019 : 2.20 sen per share

15. Earnings per Share

	Current Quarter 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018	Current Period To Date 31.03.2019	Preceding Year Corresponding Period To Date 31.03.2018
Profit attributable to owners of the parent (RM'000)	3,707	267	14,631	11,202
Number of ordinary shares in issue ('000)	240,000	240,000	240,000	240,000
Basic earnings per share (sen)	<u>1.54</u>	<u>0.11</u>	<u>6.10</u>	<u>4.67</u>

16. Audit Report

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

17. Profit before Tax

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

	Current Quarter 31.03.2019 RM'000	Current Period To Date 31.03.2019 RM'000
Interest income	(2)	(13)
Rental income	(54)	(186)
Interest expense	322	1,061
Property, plant and equipment		
- depreciation	3,003	11,805
- gain on disposal	-	(113)
Investment properties		
- depreciation	55	151
Foreign exchange gain		
- realised	439	(678)
- unrealised	(162)	(758)
Inventories written off	536	1,405
(Reversal)/Impairment loss for trade receivables	<u>(2,001)</u>	<u>(1,201)</u>

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 31 March 2019.

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18. Realised and Unrealised Profits/Losses Disclosure

	As at 31.03.2019 RM'000	As at 31.03.2018 RM'000
Total retained earnings of Oriental Food Industries Holdings Berhad and its subsidiaries:		
- Realised	113,428	107,166
- Unrealised	(7,121)	(6,611)
	<hr/>	<hr/>
	106,307	100,555
Less: Consolidation adjustments	(35,678)	(35,664)
	<hr/>	<hr/>
	70,629	64,891
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For and on behalf of
ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

Datuk Seri Son Chen Chuan
Group Managing Director

Dated: 30 May 2019