ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No. 389769-M) (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the quarter ended 30 June 2019
(The figures have not been audited)

		DUAL QUARTER THS ENDED		TIVE QUARTER ITHS ENDED
	CURRENT YEAR QUARTER ENDED 30/06/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/06/2018 RM'000	CURRENT PERIOD TO-DATE 30/06/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 30/06/2018 RM'000
Revenue	63,447	66,829	63,447	66,829
Cost of sales	(52,137)	(55,694)	(52,137)	(55,694)
Gross Profit	11,310	11,135	11,310	11,135
Other operating income/(expense)	390	1,288	390	1,288
Selling & distribution costs	(4,046)	(3,594)	(4,046)	(3,594)
Administrative expenses	(4,724)	(4,555)	(4,724)	(4,555)
Finance costs	(211)	(209)	(211)	(209)
Profit before tax	2,719	4,065	2,719	4,065
Tax expense	(756)	(930)	(756)	(930)
Profit net of tax, for the period	1,963	3,135	1,963	3,135
Other comprensive income Net loss on equity investment designated at fair value through other comprehensive income	(14)	-	(14)	-
Other comprehensive income for the period	(14)	•	(14)	•
Total comprehensive income for the period	1,949	3,135	1,949	3,135
Profit net of tax, attributable to: Owners of the parent Non-controlling interest	1,963	3,135	1,963 - 1,963	3,135
Earnings per share (Note B 15)				
- Basic (Sen) - Diluted	0.82 N/Λ	1.31 N/A	0.82 N/A	1.31 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 2019 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

	30 June 2019 Unaudited RM'000	31 March 2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	140,100	141,711
Investment properties	4,127	4,153
Investment security	2,274	2,288
Land held for property development	962	962
Rights-of-use assets	694 148,157	149,114
Current assets		
Inventories	35,761	38,240
Trade and other receivables	37,539	50,240
Other current assets	4,943	5,110
Income tax recoverable	3,441	3,894
Cash and bank balances	10,638	9,460
-	92,322	106,944
TOTAL ASSETS	240,479	256,058
EQUITY AND LIABILITIES Equity attributable to owners of the parent		
Share capital	120,000	120,000
Fair Value Reserve of Financial Assets at FVOCI	1,901	1,915
Retained earnings	69,603	67,683
Total equity	191,504	189,598
Non-current liabilities		
Loans and borrowings	13,318	14,500
Deferred tax liabilities	7,666	7,554
Lease liabilities	731	-
	21,715	22,054
Current liabilities		
Trade and other payables	19,773	33,071
Income tax payable	33	35
Loans and borrowings	7,454	11,300
-	27,260	44,406
Total liabilities	48,975	66,460
TOTAL EQUITY AND LIABILITIES	240,479	256,058
	-	_
Net assets per share attributable to owners of the Parent (RM) **	0.80	0.70
the ratent (KM) ""	0.80	0.79

^{**} 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 30 June 2019.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the quarter ended 30 June 2019

(The figures have not been audited)

	Karaman and American and Americ	Attributable to Own	ers of the Parent	an an ann ann an an an an an an an an an
	Share Capital RM'000	Fair Value Reserve of Financial Assets at FVOCI RM'000	Retained Earnings RM'000	Total Equity RM'000
3 months period ended 30 June 2019				
Balance as at 1 April 2019	120,000	1,915	67,683	189,598
Effect of adoption of new accounting standards			(43)	(43)
Total comprehensive income for the period		(14)	1,963	1,949
Balance as at 30 June 2019	120,000	1,901	69,603	191,504
3 months period ended 30 June 2018				
Balance as at 1 April 2018	120,000	-	64,891	184,891
Total comprehensive income for the period		-	3,135	3,135
Balance as at 30 June 2018	120,000		68,026	188,026

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the quarter ended 30 June 2019

(The figures have not been audited)

	CURRENT YEAR ENDED 30/06/2019 RM'000	PRECEDING YEAR ENDED 30/06/2018 RM'000
OPERATING ACTIVITIES		
Profit before tax	2,719	4,065
Adjustments for non cash items	3,942 6,661	4,390 8,455
Changes in working capital Net cash generated from operating activities	1,018 7,679	(3,379) 5,076
Interest income Interest paid Income taxes paid Income taxes refunded	6 (208) (300) 108	4 (209) (689) 323
Net cash flows from operating activities	7,285	4,505
INVESTING ACTIVITIES		
Purchase of property, plant and equipment Advances to suppliers of property, plant & equipment Proceeds from disposal of:	(1,548)	(1,098) (1,265)
- property, plant and equipment	250	14
Net cash used in investing activities	(1,298)	(2,349)
FINANCING ACTIVITIES		
Dividends paid on ordinary shares Drawdown/(repayment) of loans and borrowings	(3,038)	(1,200) (1,248)
Net cash used in financing activities	(3,038)	(2,448)
Net Change in Cash & Cash Equivalents	2,949	(292)
Effect of exchange rate changes on cash and cash equivalents	219	(135)
Cash and Cash Equivalents at beginning of year	7,469	2,509
Cash and Cash Equivalents at end of period	10,637	2,082
Cash and cash equivalents at the end of the financial period comprise the following:	30/06/2019 RM'000	30/06/2018 RM'000
Cash and bank balances Investment in money market fund Bank overdraft	10,638 (1)	5,714 (1) (3,631)
	10,637	2,082

Note: There is no non-cash movement in liabilities arising from financing activities for the year ended 30 June 2019.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019 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 30 JUNE 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 2019. 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 2019.

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 2019, 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 2019.

- MFRS 16 Leases
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to MFRS Standards 2015-2017 Cycle

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:

- 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
- 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
- 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
- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate of Joint Venture

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 0.70 sen per share, amounting to RM1,680,000 for the financial year ended 31 March 2019 was approved during the 78th Board of Directors Meeting held on 30 May 2019 and was paid on 12 July 2019.

8. 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:

- 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.

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

8. Segment information (continued)

30 June 2019	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 Inter-segment	63,447	1 1	- 100	- (100)	⋖	63,447
Total revenue	63,447	1	100	(100)	:	63,447
Results:						
Interest income Depreciation of:	9	ı	ı	i		9
- Property, plant and equipment	3,107	17	1	1		3,124
- Investment properties	4	21		1		, 25
Other non-cash income Segment profit/(loss)	59 2,957	(35)	(103)	(100)	шU	59 2,719
Assets: Additions to non-current assets	1 548					7
Segment assets	233,535	6,819	125		ш	240,479
Segment liabilities	48,321	95	559	1	ΙL	48,975

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD (Company No.389769-M)

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

8. Segment information (continued)

30 June 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 Inter-segment	66,829	, ,	1 1	1	∢	66,829
Total revenue	66,829	1	1	1		66,829
Results:						
Interest income Depreciation of	4	ě	•			4
- Property, plant and equipment - Investment properties	2,850	- 28	t I	1 1		2,850
Other non-cash expenses	614	ı	1	ı	В	614
Segment profit	4,253	(36)	(152)	1	O	4,065
Assets: Additions to non-current assets	1,098	1	1	ı	۵	1.098
Segment assets	234,888	6,750	26	1	Ш	241,735
Segment liabilities	53,041	182	486	1	ш	53,709

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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:

	30.06.2019 RM'000	30.06.2018 RM'000
Unrealised foreign exchange gain/(loss) Inventories written down (Reversal)/Impairment loss on trade	(83) 325	958 (258)
receivables Gain/(loss) on disposal of plant, property and equipment	(300) 117	(100) 14
	59	614

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

	30.06.2019 RM'000	30.06.2018 RM'000
Dividend income from inter-segment Unallocated corporate expenses	100 (203)	(152)
	(103)	(152)

- 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:

		Reve	enues	
	01.04.2019 - 30.0	6.2019	01.04.2018	- 30.06.2018
	RM'000	%	RM'000	%
Malaysia	22,970	36%	20,902	31%
Asia	24,631	39%	29,067	44%
Others	15,846	25%	16,860	25%
Total reported segments	63,447	100%	66,829	100%

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

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

9. 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 3 months period ended 30.06.2019 RM'000	Outstanding balance as at 30.06.2019 RM'000
Sale of goods to Syarikat Perniagaan Chong Mah	438	137
Rental income received from Skyline Motion Sdn Bhd	12	-

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.

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

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

11. Changes in the Composition of the Group

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

12. Contingent Liabilities

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

13. Capital Commitments

	As at 30.06.2019 RM'000
Authorised, contracted but not provided for:-	
- purchase of property, plant and equipment	1,932
	1,932

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

B. Additional information required by Bursa Malaysia Listing Requirements

1. Review of Performance

	i	lual Period Quarter)	Changes	Cumula	ative Period	Changes
	Current Quarter	Preceding Year Corresponding Quarter	(%)	Current Period To- Date	Preceding Year Corresponding Period	(%)
	30/06/2019 RM'000	30/06/2018 RM'000		30/06/2019 RM'000	30/06/2018 RM'000	
Revenue	63,447	66,829	(5.06)	63,447	66,829	(5.06)
Operating Profit/(Loss)	2,930	4,274	(31.45)	2,930	4,274	(31.45)
Profit/(Loss) Before Interest and Tax	2,930	4,274	(31.45)	2,930	4,274	(31.45)
Profit/(Loss) Before Tax	2,719	4,065	(33.11)	2,719	4,065	(33.11)
Profit/(Loss) After Tax	1,963	3.135	(37.38)	1,963	3,135	(37.38)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,963	3,135	(37.38)	1,963	3,135	(37.38)

The revenue for the current period to date and current quarter are lower by 5.06% as compared to preceding year corresponding period and quarter due to lower sales from export market in the snack food and confectioneries segment.

Profit before tax for the current period to date and current quarter is lower by 33.11% due to higher operating cost and lower foreign exchange gain.

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

	Current Quarter 30/06/2019 RM'000	Immediate Preceding Quarter 31/03/2019 RM'000	Changes (%)
Revenue	63,447	65,049	(2.46)
Operating Profit/(Loss)	2,930	4.017	(27.06)
Profit/(Loss) Before Interest and Tax	2,930	4.017	(27,06)
Profit/(Loss) Before Tax	2,719	3,695	(26.41)
Profit/(Loss) After Tax	1,963	3.295	(40.42)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,963	3,295	(40.42)

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 and higher operating cost.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 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 30.06.2019	Preceding Year Corresponding Quarter 30.06.2018	Current Period To Date 30.06.2019	Preceding Year corresponding Period To Date 30.06.2018
Income taxation in	RM'000	RM'000	RM'000	RM'000
Malaysia - current year Deferred taxation - origination and reversal of	643	71	643	71
temporary differences	113	859	113	859
	756 ———	930	756	930

The Group's effective tax rate for the current quarter and period to date is higher than the statutory tax rate mainly due to the non-deductible expenses.

7. Profits on Sale of Unquoted Investments and / or Properties

There was no sale of unquoted investments and / or properties for the current guarter.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 30.06.2019 RM'000	As at 30.06.2018 RM'000
Borrowings - current		1111 000
Overdraft - secured		3,631
Banker Acceptance – secured	1,652	2,000
Term loan - secured	5,802	_5,055
	7,454	10,686
Б		
Borrowings – non-current		
Term loan - secured	13,318	11,466

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 30 June 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 period to date ended 30 June 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 ending 31 March 2020, amounting to RM720,000 computed based on 240,000,000 ordinary shares as at 30 June 2019, has been declared by the Board of Directors on 28 August 2019:

(i) Amount per share: Single tier dividend of 0.30 sen per share

(ii) The previous corresponding period as at 30 June 2018: 0.50 sen per share

(iii) Entitlement date: 13 September 2019

(iv) Payment Date: 7 October 2019

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

(b) The total dividend declared for the current financial year ended 31 March 2020 : 0.30 sen per share

15. Earnings per Share

	Current Quarter 30.06.2019	Preceding Year Corresponding Quarter 30.06.2018	Current Period To Date 30.06.2019	Preceding Year Corresponding Period To Date 30.06.2018
Profit net of tax attributable to owners of the parent (RM'000)	1,963	3,135	1,963	3,135
Number of ordinary shares in issue ('000)	240,000	240,000	240,000	240,000
Basic earnings per share (sen)	0.82	1.31	0.82	1.31

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	Current Period To Date
	30.06.2019	30.06.2019
	RM'000	RM'000
Interest income	(6)	(6)
Rental income	(59)	(5 9)
Interest expense	211	Ž11
Property, plant and equipment		
- depreciation	3,124	3,,124
- gain on disposal	(117)	(117)
Investment properties	,	,
- depreciation	25	25
Foreign exchange gain		
- realised	(269)	(269)
- unrealised	83	` 83́
Inventories written off	325	325
Impairment loss for trade receivables	300	300

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 June 2019.

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

18. Realised and Unrealised Profits/Losses Disclosure

	As at 30.06.2019 RM'000	As at 30.06.2018 RM'000
Total retained earnings of Oriental Food Industries Holdings Berhad and its subsidiaries:		
- Realised - Unrealised	113,040 (7,749)	109,361 (5,667)
Less: Consolidation adjustments	105,291 (35,688)	103,694 (35,668)
	69,603	68,026

For and on behalf of ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

Datuk Seri Son Chen Chuan Group Managing Director

Dated: 28 August 2019