

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

| | Note | Individual quarter | | Cumulative quarter | |
|--|------|----------------------|------------------------|----------------------|------------------------|
| | | Current year quarter | Preceding year quarter | Current year-to-date | Preceding year-to-date |
| | | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| Revenue | | 54,814 | 53,719 | 203,131 | 198,152 |
| Cost of sales | | (40,612) | (40,973) | (148,990) | (144,295) |
| Gross profit | | 14,202 | 12,746 | 54,141 | 53,857 |
| Other operating income | | 2,219 | 837 | 3,536 | 1,855 |
| Distribution costs | | (1,410) | (1,882) | (10,568) | (11,147) |
| Administration expenses | | (7,916) | (7,049) | (27,420) | (24,194) |
| Finance costs | | 127 | (131) | (1,111) | (1,323) |
| Share of results of joint venture, net of tax | | (68) | - | (68) | - |
| Profit before tax | | 7,154 | 4,521 | 18,510 | 19,048 |
| Tax expense | B5 | (2,383) | (688) | (5,410) | (4,411) |
| Profit for the financial period | | 4,771 | 3,833 | 13,100 | 14,637 |
| Other comprehensive income, net of tax | | (4) | 3 | (13) | 3 |
| Total comprehensive income | | 4,767 | 3,836 | 13,087 | 14,640 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 3,373 | 3,059 | 12,091 | 12,738 |
| Non-controlling interests | | 1,398 | 774 | 1,009 | 1,899 |
| | | 4,771 | 3,833 | 13,100 | 14,637 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 3,369 | 3,062 | 12,078 | 12,741 |
| Non-controlling interests | | 1,398 | 774 | 1,009 | 1,899 |
| | | 4,767 | 3,836 | 13,087 | 14,640 |
| Earnings per ordinary share attributable to owners of the parent: | | | | | |
| - Basic (sen) | B15 | 1.52 | 1.38 | 5.47 | 5.86 |
| - Diluted (sen) | B15 | 1.12 | 1.02 | 4.01 | 4.28 |

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | Note | As at 31/12/2023 RM'000 | Audited As at 31/12/2022 RM'000 |
|---|------|-------------------------------|--|
| Non-current asset | | | |
| Property, plant and equipment | | 76,779 | 77,601 |
| Right-of-use assets | | 10,673 | 10,839 |
| Investment property | | - | 5,525 |
| Biological assets | | 2,702 | 3,600 |
| Goodwill | | 3,941 | 3,941 |
| Investment in a joint venture | | 3,258 | - |
| Other investment | B9 | 80 | 70 |
| | | <u>97,433</u> | <u>101,576</u> |
| Current assets | | | |
| Inventories | | 58,430 | 60,831 |
| Trade and other receivables | | 49,925 | 37,930 |
| Current tax assets | | 387 | 454 |
| Cash and bank balances and short term funds | | 24,415 | 18,644 |
| | | <u>133,157</u> | <u>117,859</u> |
| Total assets | | <u><u>230,590</u></u> | <u><u>219,435</u></u> |
| Equity | | | |
| Share capital | | 117,272 | 117,272 |
| Reorganisation debit balance | B17 | (59,489) | (59,489) |
| Exchange translation reserve | | (10) | 3 |
| Retained earnings | | 103,216 | 95,549 |
| Total attributable to owners of the parent | | <u>160,989</u> | <u>153,335</u> |
| Non-controlling interests | | 10,695 | 9,686 |
| Total equity | | <u>171,684</u> | <u>163,021</u> |
| Non-current liabilities | | | |
| Borrowings | B10 | 23,148 | 20,662 |
| Lease liabilities | | 303 | 260 |
| Deferred tax liabilities | | 1,785 | 1,704 |
| Deferred income | | 71 | 86 |
| | | <u>25,307</u> | <u>22,712</u> |
| Current liabilities | | | |
| Trade and other payables | | 22,796 | 24,566 |
| Borrowings | B10 | 8,333 | 8,054 |
| Lease liabilities | | 276 | 260 |
| Deferred income | | 14 | 14 |
| Current tax liabilities | | 2,180 | 808 |
| | | <u>33,599</u> | <u>33,702</u> |
| Total liabilities | | <u>58,906</u> | <u>56,414</u> |
| Total equity and liabilities | | <u><u>230,590</u></u> | <u><u>219,435</u></u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2023 (CONTINUED)**

| | Note | As at 31/12/2023 | Audited As at 31/12/2022 |
|---|-------------|-----------------------------|---|
| Net assets per share attributable to owners of the parent (RM) | B16 | 0.73 | 0.69 |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

| | <----- Non-distributable -----> | | <----- Distributable -----> | | Total attributable to owners of the parent | Non-controlling interest | Total equity |
|--|---------------------------------|------------------------------|------------------------------|-------------------|--|--------------------------|--------------|
| | Share capital | Reorganisation debit balance | Exchange translation reserve | Retained earnings | RM'000 | RM'000 | RM'000 |
| | RM'000 | RM'000 | RM'000 | RM'000 | | | |
| Balance as at 1 January 2023 | 117,272 | (59,489) | 3 | 95,549 | 153,335 | 9,686 | 163,021 |
| Profit for the financial year | - | - | - | 12,091 | 12,091 | 1,009 | 13,100 |
| Other comprehensive income, net of tax | - | - | (13) | - | (13) | - | (13) |
| Total comprehensive income | - | - | (13) | 12,091 | 12,078 | 1,009 | 13,087 |
| Transactions with owners: | | | | | | | |
| Dividends paid | - | - | - | (4,424) | (4,424) | - | (4,424) |
| Total transactions with owners | - | - | - | (4,424) | (4,424) | - | (4,424) |
| Balance as at 31 December 2023 | 117,272 | (59,489) | (10) | 103,216 | 160,989 | 10,695 | 171,684 |
| Balance as at 1 January 2022 | 103,618 | (59,489) | - | 87,236 | 131,365 | 7,787 | 139,152 |
| Profit for the financial year | - | - | - | 12,738 | 12,738 | 1,899 | 14,637 |
| Other comprehensive income, net of tax | - | - | 3 | - | 3 | - | 3 |
| Total comprehensive income | - | - | 3 | 12,738 | 12,741 | 1,899 | 14,640 |
| Transactions with owners: | | | | | | | |
| Issuance of ordinary shares - private placement | 13,458 | - | - | - | 13,458 | - | 13,458 |
| Issuance of ordinary shares - exercise of warrants | 196 | - | - | - | 196 | - | 196 |
| Dividends paid | - | - | - | (4,425) | (4,425) | - | (4,425) |
| Total transactions with owners | 13,654 | - | - | (4,425) | 9,229 | - | 9,229 |
| Balance as at 31 December 2022 | 117,272 | (59,489) | 3 | 95,549 | 153,335 | 9,686 | 163,021 |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

| | Current year- to-date 31/12/2023 RM'000 | Preceding year-to-date 31/12/2022 RM'000 |
|---|--|---|
| Cash flows from operating activities | | |
| Profit before tax | 18,510 | 19,048 |
| Adjustments for: | | |
| Depreciation | 3,763 | 3,754 |
| Inventories written off | 1,124 | 1,195 |
| Inventories written back | (89) | (1,337) |
| Impairment (reversal)/losses on trade receivables | (372) | 307 |
| Fair value changes on other investment | (10) | 4 |
| Interest expense | 1,111 | 1,323 |
| Gain on disposal of property, plant and equipment | (70) | (111) |
| Gain on disposal of investment property | (925) | - |
| Property, plant and equipment written off | - | 8 |
| Loss on disposal of biological assets | 175 | 36 |
| Fair value changes on biological assets | 364 | (410) |
| Interest income | (180) | (129) |
| Share of results of joint venture, net of tax | 68 | - |
| Unrealised loss/(gain) on foreign currency exchange | 422 | (177) |
| Operating profit before working capital changes | <u>23,891</u> | <u>23,511</u> |
| Changes in working capital: | | |
| Inventories | 1,365 | (27,444) |
| Trade and other receivables | (11,623) | 341 |
| Trade and other payables | (2,219) | 3,404 |
| Cash generated from/(used in) operations | <u>11,414</u> | <u>(188)</u> |
| Tax paid | <u>(3,891)</u> | <u>(4,680)</u> |
| Net cash from/(used in) operating activities | <u>7,523</u> | <u>(4,868)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,448) | (2,261) |
| Interest received | 180 | 129 |
| Acquisition of quoted shares | - | (50) |
| Investment in a joint venture | (3,325) | - |
| Proceeds from disposal of property, plant and equipment | 70 | 222 |
| Proceeds from disposal of investment property | 6,450 | - |
| Proceeds from disposal of biological assets | 359 | 140 |
| Net cash from/(used in) investing activities | <u>1,286</u> | <u>(1,820)</u> |
| Cash flows from financing activities | | |
| Net drawdown/(repayment) of borrowings | 2,766 | (3,082) |
| Interest paid | (1,093) | (1,308) |
| Dividends paid | (4,425) | (4,221) |
| Payment of lease liabilities | (286) | (331) |
| Proceeds from issuance of shares | - | 13,654 |
| Net cash (used in)/from financing activities | <u>(3,038)</u> | <u>4,712</u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONTINUED)**

| | Current year- to-date 31/12/2023 RM'000 | Preceding year-to-date 31/12/2022 RM'000 |
|--|--|---|
| Net increase/(decrease) in cash and cash equivalents | 5,771 | (1,976) |
| Cash and cash equivalents at beginning of financial year | <u>18,644</u> | <u>20,620</u> |
| Cash and cash equivalents at end of financial year | <u><u>24,415</u></u> | <u><u>18,644</u></u> |

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The unaudited interim financial statements 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.

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 December 2022 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of the following amendments to MFRSs during the financial year:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 -Comparative Information*
- Amendments to MFRS 101 *Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above amendments had no significant impact to the financial statements of the Group.

A3. Auditors’ report

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the current quarter and financial year-to-date under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

A6. Changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date under review.

A7. Debt and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial year-to-date under review.

A8. Dividend

There was no dividend paid during the current quarter under review.

On 15 December 2022, the Board of Directors declared an interim single tier dividend of 1.0 sen per ordinary share totalling RM2.21 million in respect of the financial year ended 31 December 2022, which had been paid on 16 January 2023 to shareholders registered at the close of business on 3 January 2023. The dividend had been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2022.

A final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022 was approved by shareholders at the Company's Annual General Meeting on 13 June 2023. The dividend was paid on 17 July 2023 and had been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2023.

A9. Segmental information

The Group's operating segments are animal health products and equipment, food ingredients and others. These operating segments are required to be organised and managed separately according to the nature of products and services as well as specific expertise which require different business and marketing strategies. The segmental results are as follows:

| | Individual quarter | | Cumulative quarter | |
|---|---|---|--|---|
| | Current year quarter 31/12/2023 RM'000 | Preceding year quarter 31/12/2022 RM'000 | Current year- to-date 31/12/2023 RM'000 | Preceding year-to-date 31/12/2022 RM'000 |
| Revenue | | | | |
| Animal health products and equipment | 40,972 | 38,613 | 150,208 | 151,429 |
| Food ingredients | 11,806 | 9,258 | 47,190 | 35,343 |
| Others | 2,036 | 5,848 | 5,733 | 11,380 |
| | <u>54,814</u> | <u>53,719</u> | <u>203,131</u> | <u>198,152</u> |
| Profit before tax | | | | |
| Animal health products and equipment | 5,257 | 3,861 | 13,847 | 16,790 |
| Food ingredients | 133 | 274 | 4,999 | 2,434 |
| Others | 1,764 | 386 | (336) | (176) |
| | <u>7,154</u> | <u>4,521</u> | <u>18,510</u> | <u>19,048</u> |

A10. Property, plant and equipment

(i) Acquisitions and disposals

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review.

(ii) Impairment losses

There were no material impairment losses during the current quarter and financial year-to-date under review.

(iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial year-to-date under review.

A11. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

On 8 February 2023, our 49%-owned subsidiary, A2 Fresh Holdings Sdn Bhd (“A2F”), subscribed for 525,000 ordinary shares in Jemaluang Dairy Valley Sdn Bhd (“JDV”) at the subscription price of RM1.00 per share, representing 35% equity interest in JDV while Kulim (Malaysia) Berhad (“Kulim”) holds the remaining 65% equity interest in JDV. JDV is a joint venture company incorporated to undertake the project to develop, operate and manage a dairy project in Sungai Ambat, Jemaluang, Mersing, Johor in collaboration with East Coast Economic Region Development Council.

On 13 April 2023, A2F incorporated a wholly-owned subsidiary known as Gemas Agro Ventures Sdn Bhd which intended principal activities comprise the buying, selling, renting or leasing of any land or building for business purpose. The company is currently dormant.

On 17 November 2023, A2F and Kulim further subscribed for additional ordinary shares in JDV at the subscription price of RM1.00 per share in proportion to their existing equity interests. A2F’s portion of the capital injection amounted to RM2,800,000.

Save for the above, there were no other changes in the composition of the Group during the current quarter and financial year-to-date under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the date of this report.

A14. Capital commitments

The capital commitments of the Group as at the end of the quarter under review were as follows:

| | RM’000 |
|------------------------------|---------------|
| Approved and contracted for: | |
| - Machineries and equipment | 450 |
| - Milk processing plant | 3,548 |
| | <u>3,998</u> |

A15. Significant related party transactions

The related party transactions during the current quarter and financial year-to-date under review are as follows:

| | Individual quarter | | Cumulative quarter | |
|--|---|---|---|---|
| | Current year quarter 31/12/2023 RM'000 | Preceding year quarter 31/12/2022 RM'000 | Current year-to-date 31/12/2023 RM'000 | Preceding year-to-date 31/12/2022 RM'000 |
| Nor Livestock Farm Sdn Bhd rents a farm land from Raja Mariam Binti Raja Rustam Shahrome ("RMRRS"), Dr Mai Lam @ Rosli Mai Lam ("ML") and Melissa Aini Mai ("MAM") | 8 | 8 | 31 | 30 |
| Nor Lazuli Nutrition Sdn Bhd rents a factory building from RMRRS, ML and MAM | 8 | 8 | 31 | 30 |
| One Lazuli Sdn Bhd rents an office space from RMRRS | 45 | 45 | 180 | 180 |
| | <hr/> <hr/> | | <hr/> <hr/> | |

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group recorded revenue of approximately RM54.81 million for the current quarter, an increase of approximately RM1.09 million compared to the revenue of approximately RM53.72 million in the preceding year's corresponding quarter. Revenue from animal health products and equipment increased by approximately RM2.36 million from approximately RM38.61 million in the preceding year's corresponding quarter to approximately RM40.97 million in the current quarter. Revenue from food ingredients increased by approximately RM2.55 million from approximately RM9.26 million in the preceding year's corresponding quarter to approximately RM11.81 million in the current quarter. The increases were offset by a decrease in revenue from dairy business which is segmented under others, of approximately RM3.74 million from approximately RM4.85 million in the preceding year's corresponding quarter to approximately RM1.11 million in the current quarter.

In line with the increase in revenue, the Group's profit before tax for the current quarter of approximately RM7.15 million was approximately RM2.63 million higher compared to the profit before tax of approximately RM4.52 million reported for the preceding year's corresponding quarter.

For the financial year under review, the Group recorded revenue of approximately RM203.13 million, an increase of approximately RM4.98 million compared to the revenue of approximately RM198.15 million in the preceding year. Revenue from food ingredients increased by approximately RM11.85 million from approximately RM35.34 million in the preceding year to approximately RM47.19 million in the current year. However, the increase was offset by a decrease in revenue from animal health products and equipment of approximately RM1.22 million from approximately RM151.43 million in the preceding year to approximately RM150.21 million in the current year and also a decrease in revenue from dairy business which is segmented under others, of approximately RM5.25 million from approximately RM7.40 million in the preceding year to approximately RM2.15 million in the current year.

Despite the increase in revenue, the Group's profit before tax for the financial year under review of approximately RM18.51 million was approximately RM0.54 million lower compared to the profit before tax of approximately RM19.05 million reported for the preceding year as profit contribution shifted from the higher margin animal health products and equipment to the lower margin food ingredients.

B2. Material changes in the quarterly results compared to the immediate preceding quarter

The Group's revenue of approximately RM54.81 million for the current quarter was approximately RM0.20 million higher compared to the revenue of approximately RM54.61 million reported for the preceding quarter. Revenue from animal health products and equipment increased by approximately RM1.74 million from approximately RM39.23 million in the preceding quarter to approximately RM40.97 million in the current quarter. Revenue from dairy business which is segmented under others, increased by approximately RM0.71 million from approximately RM0.40 million in the preceding quarter to approximately RM1.11 million in the current quarter. However, the increases were offset by a decrease in revenue from food ingredients of approximately RM2.20 million from approximately RM14.01 million in the preceding quarter to approximately RM11.81 million in the current quarter.

In line with the increase in revenue, the Group's profit before tax for the current quarter of approximately RM7.15 million was approximately RM3.13 million higher compared to the profit before tax of approximately RM4.02 million reported for the preceding quarter.

B3. Prospects

The global animal health market is expected to grow owing to the global increase in livestock, followed by the upsurge in several types of animal diseases worldwide. Other key growth drivers include the increasing number of pet ownership and demand for animal healthcare commodities especially nutrition, vaccines and medicines. At the same time, the global food ingredients industry is also expected to grow. The increase in the awareness of fitness within the society and the growing number of health-conscious consumers are expected to drive the market for food ingredients.

In line with the projected growth of these industries we operate in, we remain assured that this combined with our governance, strategy and policies will guide the Group to achieve positive results. Our risk management policies and procedures will assist us in identifying, monitoring, and responding to key risks, allowing us to capture opportunities when they arise. In the face of adversities, we trust our strategies will navigate the way forward as our prospects remain positive.

B4. Profit forecast

The Group has not issued any profit forecast in any form of public documentation and announcement.

B5. Tax expense

| | Individual quarter | | Cumulative quarter | |
|---------------------------------------|---|---|---|---|
| | Current year quarter 31/12/2023 RM'000 | Preceding year quarter 31/12/2022 RM'000 | Current year-to-date 31/12/2023 RM'000 | Preceding year-to-date 31/12/2022 RM'000 |
| Current tax | | | | |
| Current year | 2,090 | 597 | 5,194 | 4,449 |
| Under provision in prior years | 147 | 305 | 70 | 176 |
| | <u>2,237</u> | <u>902</u> | <u>5,264</u> | <u>4,625</u> |
| Deferred tax | | | | |
| Origination of temporary differences | 76 | 248 | 76 | 248 |
| Under/(over) provision in prior years | 4 | (462) | 4 | (462) |
| | <u>80</u> | <u>(214)</u> | <u>80</u> | <u>(214)</u> |
| Real Property Gains Tax | <u>66</u> | <u>-</u> | <u>66</u> | <u>-</u> |
| | <u>2,383</u> | <u>688</u> | <u>5,410</u> | <u>4,411</u> |

The effective tax rates of the Group for the current quarter and financial year-to-date of 33.31% and 29.23% respectively were higher than the statutory tax rate of 24.00% as certain subsidiaries were in loss making positions and that certain expenses were not allowable for tax purposes.

B6. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Individual quarter | | Cumulative quarter | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| | Current year quarter | Preceding year quarter | Current year-to-date | Preceding year-to-date |
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/ (crediting): | | | | |
| Depreciation | 1,005 | 964 | 3,763 | 3,754 |
| Inventories written off | 524 | 827 | 1,124 | 1,195 |
| Inventories written back | (604) | (1,644) | (89) | (1,337) |
| Impairment (reversal)/losses on trade receivables | (342) | 159 | (372) | 307 |
| Fair value changes on other investment | (2) | (5) | (10) | 4 |
| Interest expense | (127) | 131 | 1,111 | 1,323 |
| Property, plant and equipment written off | - | 8 | - | 8 |
| Gain on disposal of property, plant and equipment | - | (111) | (70) | (111) |
| Gain on disposal of investment property | - | - | (925) | - |
| Loss on disposal of biological assets | 58 | 6 | 175 | 36 |
| Fair value changes on biological assets | 132 | (82) | 364 | (410) |
| Interest income | (54) | (39) | (180) | (129) |
| Loss/(gain) on foreign currency exchange | 748 | (576) | 1,475 | (1,092) |

Save for the above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B7. Status of corporate proposals

There is no corporate proposal announced but not completed as at the date of this report.

B8. Utilisation of proceeds

The status of utilisation of proceeds of approximately RM13.46 million from the Company's Private Placement of 20,086,000 new ordinary shares at RM0.67 each as at the end of the quarter under review is as follows:

| Details of the utilisation of proceeds | Proposed utilisation | Actual utilisation | Deviation | Balance unutilised | Estimated timeframe for utilisation |
|--|----------------------|--------------------|---------------------|--------------------|-------------------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Establishment of a milk processing plant | 7,500 | (3,782) | - | 3,718 | Within 36 months |
| Marketing expenses | 2,500 | - | - | 2,500 | Within 36 months |
| Working capital | 3,008 | (3,050) | 42 ⁽¹⁾ | - | Within 12 months |
| Estimated expenses for the Private Placement | 450 | (408) | (42) ⁽¹⁾ | - | Within 1 month |
| Total | 13,458 | (7,240) | - | 6,218 | |

Note:

(1) The actual expenses incurred for the Private Placement were less than the estimated expenses by approximately RM0.04 million due mainly to lower than expected incidental charges incurred in conjunction with the Private Placement. The surplus of funds for the payment of expenses for the Private Placement were adjusted to the amount allocated for working capital.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Company's announcements dated 8 February 2022 and 11 February 2022.

B9. Other investment

| | As at 31/12/2023 RM'000 | As at 31/12/2022 RM'000 |
|---|-------------------------------|-------------------------------|
| Financial asset at fair value through profit or loss | | |
| Quoted shares in Malaysia | 100 | 100 |
| Less: Impairment loss | (20) | (30) |
| | 80 | 70 |

B10. Borrowings

| | As at 31/12/2023 RM'000 | As at 31/12/2022 RM'000 |
|--|-------------------------------|-------------------------------|
| Non-current liabilities (secured) | | |
| Term loans | 23,148 | 20,662 |
| Current liabilities (secured) | | |
| Bank overdrafts | 1,641 | 1,521 |
| Revolving credits | 3,000 | 3,000 |
| Term loans | 3,692 | 3,533 |
| | 8,333 | 8,054 |
| Total borrowings | 31,481 | 28,716 |

All borrowings are denominated in Ringgit Malaysia.

B11. Material litigation

There was no litigation which has a material effect on the financial position of the Group and the Board was not aware of any proceedings pending or of any fact likely to give rise to any proceedings as at the date of this report.

B12. Dividend

On 15 December 2023, the Board of Directors declared an interim single tier dividend of 1.0 sen per ordinary share totalling RM2.21 million in respect of the financial year ended 31 December 2023, which had been paid on 2 February 2024 to shareholders registered at the close of business on 8 January 2024. The dividend had been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2023.

B13. Derivative financial instruments

The Group does not have any derivative financial instruments as at the end of the current quarter.

B14. Gains/losses arising from fair value changes of financial liabilities

There were no material gains or losses arising from fair value changes of financial liabilities during the current quarter and financial year-to-date under review.

B15. Earnings per share

| | Individual quarter | | Cumulative quarter | |
|--|---------------------------------------|---|---------------------------------------|---|
| | Current year quarter 31/12/2023 | Preceding year quarter 31/12/2022 | Current year-to-date 31/12/2023 | Preceding year-to-date 31/12/2022 |
| Profit attributable to owners of the parent (RM'000) | 3,373 | 3,059 | 12,091 | 12,738 |
| Weighted average number of ordinary shares in issue ('000) | 221,226 | 221,226 | 221,226 | 217,412 |
| Shares under warrant deemed to have been issued for no consideration ('000) | 80,064 | 80,064 | 80,064 | 80,064 |
| Weighted average number of ordinary shares for computing diluted earnings per share ('000) | 301,290 | 301,290 | 301,290 | 297,476 |
| Earnings per share | | | | |
| - Basic (sen) | 1.52 | 1.38 | 5.47 | 5.86 |
| - Diluted (sen) | 1.12 | 1.02 | 4.01 | 4.28 |

B16. Net assets per share

Net assets per share attributable to owners of the parent is arrived at by dividing the total equity attributable to owners of the parent at the end of the financial year by the number of ordinary shares in issue at the end of the financial year.

| | As at 31/12/2023 | As at 31/12/2022 |
|--|-----------------------------|-----------------------------|
| Total equity attributable to owners of the parent (RM'000) | <u>160,989</u> | <u>153,335</u> |
| Number of ordinary shares in issue ('000) | <u>221,226</u> | <u>221,226</u> |
| Net assets per share attributable to owners of the parent (RM) | <u><u>0.73</u></u> | <u><u>0.69</u></u> |

B17. Reorganisation debit balance

The reorganisation debit balance arose from the acquisition of RMM on 28 September 2016 based on the difference between the share capital issued by the Company and the share capital issued by RMM amounting to approximately RM59.49 million.