

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	RESTATED	Current Year	RESTATED
	Quarter	Preceding Year Corresponding Quarter	To Date	Preceding Year Corresponding Period
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000
Revenue	115,075	101,478	115,075	101,478
Operating expense	(104,598)	(105,107)	(104,598)	(105,107)
Other income	123	1,832	123	1,832
Finance cost	(2,012)	(1,676)	(2,012)	(1,676)
Profit/(Loss) before taxation	8,588	(3,473)	8,588	(3,473)
Tax expense	(1,978)	(1,363)	(1,978)	(1,363)
Profit/(Loss) for the period	6,610	(4,836)	6,610	(4,836)
Other comprehensive income:				
Available-for-sale financial assets	(1)	(4)	(1)	(4)
Currency translation differences	(325)	284	(325)	284
Total comprehensive income/(expense) for the period	6,284	(4,556)	6,284	(4,556)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	6,610	(4,836)	6,610	(4,836)
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	6,284	(4,556)	6,284	(4,556)
Basic EPS (sen)	2.20	-1.61	2.20	-1.61
Diluted EPS (sen)	2.20	-1.61	2.20	-1.61

Notes:

1. The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at Current Quarter Ended 31-Mar-18 RM'000	Audited As at Preceding Financial Year Ended 31-Dec-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	317,260	316,060
Other investments	13	14
	<u>317,273</u>	<u>316,074</u>
Current Assets		
Biological assets	48,220	45,031
Inventories	33,851	38,256
Trade receivables	46,153	50,931
Other receivables and prepaid expenses	6,151	13,492
Tax recoverable	10,653	10,557
Fixed deposit, bank and cash balances	23,637	19,368
	<u>168,665</u>	<u>177,635</u>
TOTAL ASSETS	<u>485,938</u>	<u>493,709</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,001	60,001
Treasury shares	(376)	(376)
Reserves	195,437	189,157
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>255,062</u>	<u>248,782</u>
Non-Current Liabilities		
Term loan	36,851	39,410
Hire purchase payable	11,046	11,643
Deferred tax liabilities	18,614	17,697
	<u>66,511</u>	<u>68,750</u>
Current Liabilities		
Trade payables	24,571	31,341
Other payables and accrued expenses	11,283	18,119
Hire purchase payables	8,162	8,533
Overdraft & short term borrowings	120,348	118,184
Derivative liabilities	1	-
	<u>164,365</u>	<u>176,177</u>
TOTAL LIABILITIES	<u>230,876</u>	<u>244,927</u>
TOTAL EQUITY AND LIABILITIES	<u>485,938</u>	<u>493,709</u>
Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)	0.85	0.83
	-	-

Notes:

1. The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Reverse Acquisition Reserves	Share Premium	Treasury Shares	Revaluation Reserves	Fair Value Reserves	Foreign Exchange Translation Reserves	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2018	60,002	(26,078)	-	(376)	-	15	420	214,799	248,782
Profit after taxation for the period								6,610	6,610
Other Comprehensive Income/(Expense) for the period						(1)	(325)		(326)
Disposal of other investment						(4)			(4)
Balance as at 31 March 2018	<u>60,002</u>	<u>(26,078)</u>	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>10</u>	<u>95</u>	<u>221,409</u>	<u>255,062</u>
Balance as at 1 January 2017 as previously audited	60,001	(26,078)	1	(376)	4,032	15	860	169,610	208,065
Adoption of MFRS					29,652			8,045	37,697
Transfer to retained earnings	1		(1)		(33,684)			33,684	-
Balance as at 1 January 2017 - as restated	<u>60,002</u>	<u>(26,078)</u>	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>15</u>	<u>860</u>	<u>211,339</u>	<u>245,762</u>
Profit/(Loss) after taxation for the period								(4,836)	(4,836)
Other Comprehensive Income for the period						(4)	284		280
Balance as at 31 March 2017 (restated)	<u>60,002</u>	<u>(26,078)</u>	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>11</u>	<u>1,144</u>	<u>206,503</u>	<u>241,206</u>

Notes:

1. *The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2017.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 31-Mar-18 RM'000	Restated Preceding Year To Date 31-Mar-17 RM'000
Profit/(Loss) before taxation	8,588	(3,473)
Adjustments for non-cash flow:		
Non-cash items	5,178	3,855
Non-operating items	1,955	1,490
Operating profit before working capital changes	<u>15,721</u>	<u>1,872</u>
Changes in working capital		
Net changes in current assets	7,345	7,416
Net changes in current liabilities	<u>(7,841)</u>	<u>(13,277)</u>
Cash generated from operations	15,225	(3,989)
Interest income received	42	69
Income tax paid	<u>(1,158)</u>	<u>(2,276)</u>
Net Cash Flow from Operating Activities	<u>14,109</u>	<u>(6,196)</u>
Proceeds from disposal available for sales assets	-	5
Purchase of property, plant and equipment	<u>(5,306)</u>	<u>(2,420)</u>
Net Cash Flow from/(used in) Investing Activities	<u>(5,306)</u>	<u>(2,415)</u>
Bank borrowings	(2,522)	(2,388)
Finance cost paid	<u>(2,012)</u>	<u>(1,676)</u>
Net Cash Flow from/(used in) Financing Activities	<u>(4,534)</u>	<u>(4,064)</u>
Net Increase/(Decrease) in cash and cash equivalents	4,269	(12,675)
Cash and cash equivalents at the beginning of the financial period	19,368	34,264
Cash and cash equivalents at the end of the financial period	<u>23,637</u>	<u>21,589</u>
Bank and cash balances	<u>23,637</u>	<u>21,589</u>

Notes:

1. *The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.*

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED
31 MARCH 2018**

A. SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO. 134 – INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The financial statements are unaudited and have been prepared in accordance with the MFRS 134 – Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2017 and the accompanying explanatory notes attached. These explanatory notes attached to the 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.

A2. Changes in Accounting Policies

The financial statements of the Group and Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the biological assets, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group’s and Company’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ.

Standards where the Group is currently assessing and has yet to quantify the potential impact as follows:

1. MFRS 9 ‘Financial Instruments’

MFRS 9 replaces MFRS 139 ‘Financial Instruments: Recognition and Measurement’. The Standard introduces new requirements for classification and measurement, impairment and hedge accounting, and will be effective for the annual reporting periods beginning on or after 1 January 2018.

2. MFRS 16 ‘Leases’

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a leased liability representing its obligation to make lease payments. MFRS 16 will be effective for annual reporting periods beginning on or after 1 January 2019.

A3. Auditors' Report

There was no qualification on the audited financial statements for the financial year ended 31 December 2017.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A5. Unusual Items

There was no items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

A6. Changes in Estimates

There were no significant changes in the estimates reported in prior financial year, which have a material effect in the current period.

A7. Issuances, Cancellation, Repurchases, Resale & Repayments of Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial year to-date.

A8. Dividend Paid

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

A9. Segmental Reporting

The segmental revenue and results of business segments for the current financial year to date are as follows:

Segmental Analysis (by Activities)	Segmental Revenue	Profit/(Loss) before Taxation
	RM'000	RM'000
a. Poultry Farming	100,561	7,183
b. Investment and Trading of related poultry products	14,514	1,405
Total	<u>115,075</u>	<u>8,588</u>

Business Segments

	Poultry Farming	Investment and Trading of related poultry products	Consolidation Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
- external	100,561	14,514		115,075
- internal		5,257	(5,257)	-
	<u>100,561</u>	<u>19,771</u>	<u>(5,257)</u>	<u>115,075</u>
Segment profit before interest & tax	9,113	1,578	(91)	10,600
Finance cost				(2,012)
Unaudited Consolidated Profit/(Loss) before Tax				<u>8,588</u>
Tax expense				(1,978)
Unaudited Consolidated Profit/(Loss) after Tax				<u><u>6,610</u></u>
Assets				
Segment Assets	443,132	150,677	(118,538)	475,271
Unallocated assets: Income producing assets				13
Unallocated assets: Tax recoverable				10,653
				<u>485,937</u>
Liabilities				
Segment Liabilities	42,737	11,715	18	54,470
Unallocated liabilities: Borrowings				176,407
				<u>230,877</u>

A10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the previous annual financial statements.

A11. Capital Commitments

Capital commitments as at end of the current quarter are as follows:

	Total RM'000
Contracted but not provided for	<u>1,109</u>
Approved but not contracted for	<u>22,098</u>

A12. Material Subsequent Events

There were no material events subsequent to the end of the current quarter under review.

A13. Effects of Changes in the Composition of the Group

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

A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM325.8 million given to the financial institutions for credit facilities granted to subsidiary companies.

A15. Related Party Transactions

The following related party transactions have been entered into in the normal course of business at arm-length:

	Current Quarter 3-months ended 31-Mar-18 RM'000	Cumulative 3-months ended 31-Mar-18 RM'000
Sales of eggs, veterinary products, egg trays and others	7,570	7,570
Purchase of day-old-chick, verterinary products and raw materials	9,154	9,154
Transportation	2,143	2,143
Other services	29	29

B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA SECURITIES MAIN LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Performance of the Company and its principal subsidiaries

	Individual Period			Cumulative Period		
	Current Year	Restated Preceding	Changes	Current	Restated Preceding	Changes
	Quarter	Year	%	year-to- date	Year	%
	31-Mar-18	Correspondin 31-Mar-17		31-Mar-18	Correspondin 31-Mar-17	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	100,561	89,946	12%	100,561	89,946	12%
Investment and Trading	14,514	11,532	26%	14,514	11,532	26%
	<u>115,075</u>	<u>101,478</u>	13%	<u>115,075</u>	<u>101,478</u>	13%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	7,183	(4,903)	247%	7,183	(4,903)	247%
Investment and Trading	1,405	1,430	-2%	1,405	1,430	-2%
	<u>8,588</u>	<u>(3,473)</u>	347%	<u>8,588</u>	<u>(3,473)</u>	347%

The Group recorded a pre-tax profit of approximately RM8.6 million on the back of revenue of RM115.1 million for the current period under review.

Poultry Farming

The Segment recorded a higher revenue RM100.6 million and pre-tax profit of RM7.2 million mainly due to the sustainable selling price of eggs coupled with the lower feed cost for the period under review.

Investment and Trading

The improved revenue by 26% in the segment mainly due to the increasing demand of existing and new animal health products.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended 31 Mar 2018	Immediate Preceding Quarter Ended 31 Dec 2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	115,075	118,173	(3,098)	(2.6)
Profit/(Loss) before Interest & Tax	10,600	13,916	(3,316)	(23.8)
Profit/(Loss) before Tax	8,588	11,862	(3,274)	(27.6)
Profit/(Loss) after Tax	6,610	12,792	(6,182)	(48.3)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	6,610	12,792	(6,182)	(48.3)

The revenue decreased by RM3.1 million representing 2.6% lower mainly due to the slightly lower selling price of eggs coupled with decrease in sales quantity. In line with the decrease in revenue, the Group recorded a lower pre-tax profit from RM11.9 million to RM8.6 million representing a decrease of 27.6%.

B3. Current Year Prospects

In view of the current lower selling price, the Directors are in opinion that the forthcoming year's financial performance for the 9 months period ending 31 December 2018 is still challenging.

B4. Variance from Profit Forecast and Profit Guarantee

This note is not applicable to the Group.

B5. Taxation

Major components of tax expense:

	Current Quarter ended 31 Mar 2018 RM'000	Current 3-MTD ended 31 Mar 2018 RM'000
Current year provision/(Reversal)	908	908
(Over)/Under provision in prior year	37	37
Deferred taxation/(Reversal)	1,033	1,033
	<u>1,978</u>	<u>1,978</u>

B6. Corporate Proposal

There were no corporate proposals announced but not completed as of the date of this report.

B7. Group Borrowings and Debt Securities

a. Details of the group borrowing as at 31 March 2018 are as follows:

	Long Term				Short Term				TOTAL Borrowings			
	SGD	RM Equivalent	RM	TOTAL RM	SGD	RM Equivalent	RM	TOTAL RM	SGD	RM Equivalent	RM	TOTAL RM
as at 1st Quarter ended 31 March 2018												
Secured												
Term loan	3,540	10,448	10,582	21,030	470	1,387	1,930	3,317	4,010	11,835	12,512	24,347
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	11,046	11,046	19	57	8,105	8,162	19	57	19,150	19,207
Sub total (1)				32,076				11,479				43,554
Unsecured												
Term loan	-	-	15,821	15,821	-	-	5,643	5,643	-	-	21,464	21,464
Bankers' acceptance	-	-	-	-	-	-	106,388	106,388	-	-	106,388	106,388
Revolving credit/OD	-	-	-	-	-	-	5,000	5,000	-	-	5,000	5,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				15,821				117,031				132,852
TOTAL Borrowings				47,897				128,509				176,406
as at 1st Quarter ended 31 March 2017												
Secured												
Term loan	4,020	12,730	26,985	39,715	450	1,426	5,793	7,219	4,470	14,156	32,778	46,934
Bankers' acceptance	-	-	-	-	-	-	4,200	4,200	-	-	4,200	4,200
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	36	115	9,735	9,850	47	148	7,215	7,363	83	263	16,950	17,213
Sub total (1)				49,565				18,782				68,347
Unsecured												
Term loan	-	-	947	947	-	-	880	880	-	-	1,827	1,827
Bankers' acceptance	-	-	-	-	-	-	76,221	76,221	-	-	76,221	76,221
Revolving credit/OD	-	-	-	-	-	-	5,000	5,000	-	-	5,000	5,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				947				82,101				83,048
TOTAL Borrowings				50,512				100,883				151,395

1. The increase of RM25.0 million in the total borrowings representing approx. 16.5% was mainly due to higher utilization of bankers' acceptance from the increase in trade purchase of raw material in line with the expansion of the layer farming segment.
2. The foreign currency exchange rate of SGD1=RM2.9513 was used for the reporting as at 31 March 2018, whereas the interest rates are in the range of 2.35% p.a. to 5.0% p.a.

B8. Financial Instruments

There Group entered into the following foreign currency contracts to hedge its foreign purchases as at 31 March 2018:

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Changes (RM'000)
USD Dollar (USD) - less than 1 year	1,103	1,102	(1)

B9. Trade Receivables

	<60 days RM'000	61-120 days RM'000	> 120 days RM'000	TOTAL RM'00	Credit Term (days)
External	30,499	4,887	4,738	40,124	Cash-150 days
Related parties	2,433	2,247	-	4,680	Cash-150 days
KPF Farming Sdn Bhd	2,907	-	-	2,907	
TOTAL Trade Receivables	35,839	7,134	4,738	47,711	
Impairment loss of trade receivables			(1,559)	(1,559)	
NET Trade Receivables	35,839	7,134	3,179	46,152	

The Net Trade Receivables is within the normal credit term of cash to 150 days according to the industry norm. The transactions with the related party, KPF Farming Sdn Bhd ("KPF") is under contract farming scheme and the amount owing will be contra against the eggs and old hens sold by KPF to Teo Seng. The Management is of the opinion that the remaining sum exceeding 120 days is recoverable.

B10. Material Litigations

There were no pending material litigations as at the date of this report.

B11. Dividend Payable

The Board of Directors does not recommend any dividend for the current quarter under review.

B12. Realised and Unrealised Profit/(Loss)

	Restated	
	Current Quarter ended 31 Mar 2018 RM'000	Preceding Quarter ended 31 Dec 2017
Realised profit	240,240	232,386
Unrealised loss	(18,830)	(17,587)
Retained profit	<u>221,410</u>	<u>214,799</u>

B13. Earnings per Share (EPS)

The basic earnings per share are computed by dividing the profit or loss for the period by the number of weighted average ordinary shares of the Group in issue during the period:

	Restated		Restated	
	Current Quarter ended 31-Mar-18	Preceding Year Corresponding Quarter 31-Mar-17	Current YTD 31-Mar-18	Preceding YTD 31-Mar-17
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	6,610	(4,836)	6,610	(4,836)
Number of ordinary shares in issue ('000)	299,792	299,792	299,792	299,792
Basic earnings/(loss) per share (sen)	2.20	(1.61)	2.20	(1.61)
Diluted earnings/(loss) per share (sen)	2.20	(1.61)	2.20	(1.61)

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Mar 2018 RM'000	Cummulative 3-MTD 31 Mar 2018 RM'000
Interest income	(42)	(42)
Other income	(265)	(265)
Reversal of Impairment loss from trade receivables	(14)	(14)
(Gain) on disposal of PPE	(66)	(66)
(Gain)/Loss on derivative	1	1
(Gain)/Loss on foreign exchange	264	264
Depreciation and amortisation	4,782	4,782

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 22 May 2018.