

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	RESTATED	Current Year	RESTATED
	Quarter	Preceding Year Corresponding Quarter	To Date	Preceding Year Corresponding Period
	30-Jun-18 RM'000	30-Jun-17 RM'000	30-Jun-18 RM'000	30-Jun-17 RM'000
Revenue	102,727	95,266	217,802	196,744
Operating expense	(102,054)	(101,864)	(206,652)	(206,971)
Other income	704	1,215	827	3,047
Finance cost	(2,083)	(1,759)	(4,095)	(3,435)
Profit/(Loss) before taxation	(706)	(7,142)	7,882	(10,615)
Tax expense	178	(159)	(1,800)	(1,522)
Profit/(Loss) for the period	(528)	(7,301)	6,082	(12,137)
Other comprehensive income:				
Available-for-sale financial assets	(4)	6	(5)	2
Currency translation differences	66	(208)	(259)	76
Total comprehensive income/(expense) for the period	(466)	(7,503)	5,818	(12,059)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(528)	(7,301)	6,082	(12,137)
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	(466)	(7,503)	5,818	(12,059)
Basic EPS (sen)	(0.18)	(2.44)	2.03	(4.05)
Diluted EPS (sen)	(0.18)	(2.44)	2.03	(4.05)

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 30-Jun-18 RM'000	Audited As at Preceding Financial Year Ended 31-Dec-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	326,473	316,060
Other investments	12	14
Deferred tax asset	29	-
	326,514	316,074
Current Assets		
Biological assets	50,868	45,031
Inventories	33,208	38,256
Trade receivables	44,929	50,931
Other receivables and prepaid expenses	7,331	13,492
Tax recoverable	12,073	10,557
Fixed deposit, bank and cash balances	14,133	19,368
	162,542	177,635
TOTAL ASSETS	489,056	493,709
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,002	60,002
Treasury shares	(376)	(376)
Reserves	194,974	189,156
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	254,600	248,782
Non-Current Liabilities		
Term loan	34,809	39,410
Hire purchase payable	11,554	11,643
Deferred tax liabilities	17,399	17,697
	63,762	68,750
Current Liabilities		
Trade payables	25,651	31,341
Other payables and accrued expenses	16,633	18,119
Hire purchase payables	8,330	8,533
Overdraft & short term borrowings	118,509	118,184
Derivative liabilities	1,571	-
	170,694	176,177
TOTAL LIABILITIES	234,456	244,927
TOTAL EQUITY AND LIABILITIES	489,056	493,709
Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)	0.85	0.83
	-	-

Notes:

- 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								6,082	6,082
Other Comprehensive Income/(Expense) for the period						(5)	(259)		(264)
Balance as at 30 June 2018	60,002	(26,078)	-	(376)	-	10	161	220,881	254,600
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	60,002	(26,078)	-	(376)	-	15	860	211,339	245,762
Profit/(Loss) after taxation for the period								(12,137)	(12,137)
Other Comprehensive Income for the period						2	76		78
Balance as at 30 June 2017 (restated)	60,002	(26,078)	-	(376)	-	17	936	199,202	233,703

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 30-Jun-18 RM'000	Restated Preceding Year To Date 30-Jun-17 RM'000
Profit/(Loss) before taxation	7,882	(10,615)
Adjustments for non-cash flow:		
Non-cash items	10,143	8,156
Non-operating items	3,810	3,146
Operating profit before working capital changes	<u>21,835</u>	<u>687</u>
Changes in working capital		
Net changes in current assets	5,649	1,914
Net changes in current liabilities	(1,613)	(6,156)
Cash generated from operations	<u>25,871</u>	<u>(3,555)</u>
Interest income received	93	109
Income tax paid	(2,072)	(4,883)
Net Cash Flow from Operating Activities	<u>23,892</u>	<u>(8,329)</u>
Proceeds from disposal of property, plant and equipment	-	378
Proceeds from disposal available for sales assets	-	5
Purchase of property, plant and equipment	(16,252)	(10,588)
Net Cash Flow from/(used in) Investing Activities	<u>(16,252)</u>	<u>(10,205)</u>
Bank borrowings	(8,780)	5,805
Finance cost paid	(4,095)	(3,435)
Net Cash Flow from/(used in) Financing Activities	<u>(12,875)</u>	<u>2,370</u>
Net Increase/(Decrease) in cash and cash equivalents	(5,235)	(16,164)
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>14,133</u>	<u>18,100</u>
Cash and cash equivalents comprise:		
Bank and cash balances	<u>14,133</u>	<u>18,100</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 SECOND FINANCIAL QUARTER ENDED
30 JUNE 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	188,365	4,140
b. Investment and Trading of related poultry products	29,437	3,742
Total	<u>217,802</u>	<u>7,882</u>

Business Segments

	Investment and Trading of related poultry products	Poultry Farming	Consolidation Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
- external	29,437	188,365		217,802
- internal	10,006		(10,006)	-
	<u>39,443</u>	<u>188,365</u>	<u>(10,006)</u>	<u>217,802</u>
Segment profit before interest & tax	3,989	8,147	(159)	11,977
Finance cost				(4,095)
Unaudited Consolidated Profit/(Loss) before Tax				<u>7,882</u>
Tax expense				(1,800)
Unaudited Consolidated Profit/(Loss) after Tax				<u><u>6,082</u></u>
Assets				
Segment Assets	86,628	506,630	(116,287)	476,971
Unallocated assets: Income producing assets				12
Unallocated assets: Tax recoverable				<u>12,073</u>
				<u><u>489,056</u></u>
Liabilities				
Segment Liabilities	16,541	157,666	(112,952)	61,255
Unallocated liabilities: Borrowings				<u>173,201</u>
				<u><u>234,456</u></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>2,207</u>
Approved but not contracted for	<u><u>18,568</u></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 RM335.2 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 30-Jun-18 RM'000	Cumulative 6-months ended 30-Jun-18 RM'000
Sales of eggs, veterinary products, egg trays and others	6,473	14,043
Purchase of day-old-chick, verterinary products and raw materials	8,636	17,790
Transportation	1,962	4,105
Other services	13	42

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 Year	Changes	Current	Restated Preceding Year	Changes
	Quarter 30-Jun-18	Corresponding Quarter 30-Jun-17	%	year-to- date 30-Jun-18	Corresponding Year 30-Jun-17	%
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	87,804	82,783	6%	188,365	172,729	9%
Investment and Trading	14,923	12,483	20%	29,437	24,015	23%
	<u>102,727</u>	<u>95,266</u>	8%	<u>217,802</u>	<u>196,744</u>	11%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	(3,043)	(9,332)	67%	4,140	(14,235)	129%
Investment and Trading	2,337	2,190	7%	3,742	3,620	3%
	<u>(706)</u>	<u>(7,142)</u>	90%	<u>7,882</u>	<u>(10,615)</u>	174%

The Group recorded a pre-tax profit of approximately RM7.9 million on the back of revenue of RM217.8 million for the current period under review.

Poultry Farming

The Segment recorded a higher revenue RM188.4 million and pre-tax profit of RM4.1 million due to the improved selling price of eggs and higher sales quantities coupled with the lower feed cost for the period under review.

Investment and Trading

The increasing demand of existing and new animal health products has contributed to the increase in revenue by 23%.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended 30 June 2018	Immediate Preceding Quarter Ended 31 Mar 2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	102,727	115,075	(12,348)	(10.7)
Profit/(Loss) before Interest & Tax	1,377	10,600	(9,223)	(87.0)
Profit/(Loss) before Tax	(706)	8,588	(9,294)	(108.2)
Profit/(Loss) after Tax	(528)	6,610	(7,138)	(108.0)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(528)	6,610	(7,138)	(108.0)

The revenue decreased by RM12.3 million representing 10.7% lower mainly due to the lower selling price of eggs. In view of the lower revenue outweighed the lower operating cost, the Group recorded a pre-tax loss of RM0.7 million from the revenue of RM102.7 million.

B3. Current Year Prospects

In view of the current slightly improved selling price, the Directors are in opinion that the forthcoming year's financial performance for the 6 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 30 June 2018 RM'000	Current 6-MTD ended 30 June 2018 RM'000
Current year provision/(Reversal)	1,089	1,997
(Over)/Under provision in prior year	6	43
Deferred taxation/(Reversal)	(1,273)	(240)
	<u>(178)</u>	<u>1,800</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 30 JUNE 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 2nd Quarter ended 30 JUNE 2018												
Secured												
Term loan	3,422	10,145	10,100	20,245	474	1,405	525	1,930	3,896	11,550	10,625	22,175
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	11,554	11,554	25	74	8,256	8,330	25	74	19,809	19,883
Sub total (1)				31,799				10,260				42,058
Unsecured												
Term loan	-	-	14,564	14,564	-	-	6,894	6,894	-	-	21,458	21,458
Bankers' acceptance	-	-	-	-	-	-	102,685	102,685	-	-	102,685	102,685
Revolving credit/OD	-	-	-	-	-	-	7,000	7,000	-	-	7,000	7,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				14,564				116,579				131,143
TOTAL Borrowings				46,363				126,838				173,201
as at 2nd Quarter ended 30 JUNE 2017												
Secured												
Term loan	3,904	12,185	6,210	18,395	451	1,408	1,030	2,438	4,355	13,593	7,240	20,833
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	25	78	8,993	9,071	45	140	7,426	7,566	70	218	16,419	16,637
Sub total (1)				27,466				10,004				37,470
Unsecured												
Term loan	-	-	20,052	20,052	-	-	5,643	5,643	-	-	25,695	25,695
Bankers' acceptance	-	-	-	-	-	-	89,741	89,741	-	-	89,741	89,741
Revolving credit/OD	-	-	-	-	1,000	3,120	5,000	8,120	1,000	3,120	5,000	8,120
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				20,052				103,504				123,556
TOTAL Borrowings				47,518				113,508				161,026

1. The increase of RM12.2 million in the total borrowings representing approx. 7.6% 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=RM2.9646 was used for the reporting as at 30 June 2018, whereas the interest rates are in the range of 2.39% p.a. to 4.84% p.a.

B8. Financial Instruments

There was no foreign currency contract entered into as at 30 June 2018.

B9. Trade Receivables

	<60 days RM'000	61-120 days RM'000	> 120 days RM'000	TOTAL RM'00	Credit Term (days)
External	33,196	3,557	4,363	41,116	Cash-150 days
Related parties	2,403	464	37	2,904	Cash-150 days
KPF Farming Sdn Bhd	2,086	299	-	2,385	
TOTAL Trade Receivables	37,685	4,320	4,400	46,405	
Impairment loss of trade receivables			(1,476)	(1,476)	
NET Trade Receivables	37,685	4,320	2,924	44,929	

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 declared a single-tier interim dividend of RM0.005 per share amounting to approximately RM1,500,000 in respect of the current quarter under review.

B12. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 30 June 2018 RM'000	Preceding Quarter ended 31 Mar 2018
Realised profit	238,555	240,240
Unrealised loss	(17,673)	(18,830)
Retained profit	<u>220,881</u>	<u>221,410</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 30-Jun-18	Preceding Year Corresponding Quarter 30-Jun-17	Current YTD 30-Jun-18	Preceding YTD 30-Jun-17
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	(528)	(7,301)	6,082	(12,137)
Number of ordinary shares in issue ('000)	299,792	299,792	299,792	299,792
Basic earnings/(loss) per share (sen)	(0.18)	(2.44)	2.03	(4.05)
Diluted earnings/(loss) per share (sen)	(0.18)	(2.44)	2.03	(4.05)

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30 June 2018 RM'000	Cummulative 6-MTD 30 June 2018 RM'000
Interest income	(51)	(93)
Other income	(197)	(462)
Reversal of Impairment loss from trade receivables	(178)	(192)
(Gain) on disposal of PPE	66	-
(Gain)/Loss on derivative	(1)	-
(Gain)/Loss on foreign exchange	(340)	(76)
Depreciation and amortisation	4,855	9,637

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 20 August 2018.