

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-18 RM'000	31-Dec-17 RM'000	31-Dec-18 RM'000	31-Dec-17 RM'000
Revenue	147,221	116,552	490,285	422,588
Operating expense	(121,376)	(102,085)	(443,686)	(417,072)
Other income	1,029	1,190	2,954	5,902
Finance cost	(2,117)	(2,054)	(8,310)	(7,332)
Profit/(Loss) before taxation	24,757	13,603	41,243	4,086
Tax expense	(7,492)	865	(10,880)	(626)
Profit/(Loss) for the period	<u>17,265</u>	<u>14,468</u>	<u>30,363</u>	<u>3,460</u>
Other comprehensive income:				
Available-for-sale financial assets	(6)	(1)	(10)	1
Currency translation differences	54	(418)	139	(441)
Total comprehensive income/(expense) for the period	<u>17,313</u>	<u>14,049</u>	<u>30,492</u>	<u>3,020</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	<u>17,265</u>	<u>14,468</u>	<u>30,363</u>	<u>3,460</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	<u>17,313</u>	<u>14,049</u>	<u>30,492</u>	<u>3,020</u>
Basic EPS (sen)	<u>5.76</u>	<u>4.83</u>	<u>10.13</u>	<u>1.15</u>
Diluted EPS (sen)	<u>5.76</u>	<u>4.83</u>	<u>10.13</u>	<u>1.15</u>

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 Financial Year Ended 31-Dec-18 RM000	Audited As at Preceding Financial Year Ended 31-Dec-17 RM000
ASSETS		
Non-Current Assets		
Property, plant & equipment	338,663	316,060
Other investments	7	14
	<u>338,670</u>	<u>316,074</u>
Current Assets		
Biological assets	53,371	45,031
Inventories	42,213	38,256
Trade receivables	56,742	50,931
Other receivables and prepaid expenses	6,087	13,492
Tax recoverable	9,765	11,829
Fixed deposit, bank and cash balances	28,931	19,368
	<u>197,109</u>	<u>178,907</u>
TOTAL ASSETS	535,779	494,981
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,002	60,002
Treasury shares	(376)	(376)
Reserves	218,155	189,156
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	277,781	248,782
Non-Current Liabilities		
Term loan	39,877	39,410
Hire purchase payable	15,171	11,643
Deferred tax liabilities	24,581	17,697
	<u>79,629</u>	<u>68,750</u>
Current Liabilities		
Trade payables	38,730	31,341
Other payables and accrued expenses	18,704	18,119
Hire purchase payable	9,300	8,533
Other borrowings	110,746	118,184
Derivative Liabilities	11	-
Tax Liabilities	878	1,272
	<u>178,369</u>	<u>177,449</u>
TOTAL LIABILITIES	257,998	246,199
TOTAL EQUITY AND LIABILITIES	535,779	494,981
Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)	0.93	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 Profit	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jan 2018	60,002	(26,078)	-	(376)	-	15	420	214,799	248,782
Profit after taxation for the period								30,363	30,363
Other comprehensive income/(expenses) for the period						(10)	145		135
Dividend paid								(1,499)	(1,499)
Balance as at 31 Dec 2018	60,002	(26,078)	-	(376)	-	5	565	243,663	277,781
									-
Balance as at 1 Jan 2017 (as previously audited)	60,002	(26,078)	-	(376)	4,032	15	860	169,610	208,065
Adoption of MFRS					29,652			8,045	37,697
Transfer to retained earnings					(33,684)			33,684	-
Balance as at 1 Jan 2017 (restated)	60,002	(26,078)	-	(376)	-	15	860	211,339	245,762
Profit after taxation for the period								3,460	3,460
Other comprehensive income/(expenses) for the period						1	(441)		(440)
Balance as at 31 Dec 2017	60,002	(26,078)	-	(376)	-	16	419	214,799	248,782

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-Dec-2018 RM'000	Preceeding Year to Date 31-Dec-2017 RM'000
Profit/(Loss) before taxation	41,243	4,086
Adjustments for non-cash flow:		
Non-cash items	21,868	17,267
Non-operating items	7,882	6,873
Operating profit before working capital changes	70,993	28,226
Changes in working capital		
Net changes in current assets	(17,175)	(15,457)
Net changes in current liabilities	13,536	525
Cash generated from operations	67,354	13,294
Interest income received	212	181
Income tax paid	(2,320)	(7,049)
Net Cash Flow from Operating Activities	65,246	6,426
Proceeds from disposal of property, plant and equipment	199	610
Proceeds from disposal available for sales assets	-	5
Purchase of property, plant and equipment	(29,706)	(29,029)
Net Cash Flow from/(used in) Investing Activities	(29,507)	(28,414)
Bank borrowings	(18,044)	14,424
Finance cost paid	(8,310)	(7,332)
Dividend paid	(1,499)	-
Net Cash Flow from/(used in) Financing Activities	(27,853)	7,092
Net Increase/(Decrease) in cash and cash equivalents	7,886	(14,896)
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	27,254	19,368
Cash and cash equivalents comprises:		
Bank and bank balances	28,931	19,368
Bank overdraft	(1,677)	-
	27,254	19,368

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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 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

A single-tier interim dividend of RM0.005 per share amounting to approximately RM1,500,000 in respect of the current financial year was paid on 28 September 2018.

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	428,635	31,357
b. Investment and Trading of related poultry products	61,650	9,886
Total	<u>490,285</u>	<u>41,243</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	61,650	428,635		490,285
- internal	25,085		(25,085)	-
	<u>86,735</u>	<u>428,635</u>	<u>(25,085)</u>	<u>490,285</u>
Segment profit before interest & tax	10,363	41,268	(2,078)	49,553
Finance cost				(8,310)
Unaudited Consolidated Profit/(Loss) before Tax				<u>41,243</u>
Tax expense				(10,880)
Unaudited Consolidated Profit/(Loss) after Tax				<u>30,363</u>
Assets				
Segment Assets	80,470	448,097	(2,560)	526,007
Unallocated assets: Income producing assets				7
Unallocated assets: Tax recoverable				9,765
				<u>535,779</u>
Liabilities				
Segment Liabilities	23,377	68,182	(8,655)	82,904
Unallocated liabilities: Borrowings				175,094
				<u>257,998</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>6,266</u>
Approved but not contracted for	<u>6,610</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 RM352.3 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-Dec-18 RM'000	Cumulative 12-months ended 31-Dec-18 RM'000
Sales of eggs, veterinary products, egg trays and others	7,130	28,015
Purchase of day-old-chick, verterinary products and raw materials	7,465	33,997
Transportation	2,591	8,652
Other services	145	349

**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	Preceding Year	Changes	Current	Preceding	Changes
	Quarter	Corresponding Quarter	%	year-to- date	Year Corresponding Period	%
	31-Dec-18	31-Dec-17		31-Dec-18	31-Dec-17	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	130,581	103,080	27%	428,635	372,642	15%
Investment and Trading	16,640	13,472	24%	61,650	49,946	23%
	<u>147,221</u>	<u>116,552</u>	<u>26%</u>	<u>490,285</u>	<u>422,588</u>	<u>16%</u>
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	20,554	11,196	84%	31,357	(3,092)	1114%
Investment and Trading	4,203	2,407	75%	9,886	7,178	38%
	<u>24,757</u>	<u>13,603</u>	<u>82%</u>	<u>41,243</u>	<u>4,086</u>	<u>909%</u>

The Group recorded an impressive pre-tax profit of approximately RM41.2 million representing an increase of 909% on the back of a higher revenue of RM490.3 million representing an increase of 16% for the current period under review.

Poultry Farming

The revenue increase by RM56.0 million representing 15% mainly due to the continued stable selling price of eggs and higher sales quantities as the result of upgrading farm infrastructure and facilities to bring better production efficiency. Coupled with the lower feed cost, it has contributed the higher pre-tax profit of RM31.4 million for the financial year under review.

Investment and Trading

The increasing demand of the animal health products has contributed to the increase in revenue by 23% and improved its pre-tax profit by 38%.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended 31 Dec 2018	Immediate Preceding Quarter Ended 30 Sep 2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	147,221	125,262	21,959	17.5
Profit/(Loss) before Interest & Tax	26,874	10,702	16,172	151.1
Profit/(Loss) before Tax	24,757	8,604	16,153	187.7
Profit/(Loss) after Tax	17,265	7,016	10,249	146.1
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	17,265	7,016	10,249	146.1

The revenue increased by RM22.0 million representing 17.5% higher mainly due to the stable selling price of eggs and higher sales quantity. In view of the higher revenue and better efficiency, the Group recorded a pre-tax profit of RM24.8 million representing an increase of 187.7%.

B3. Current Year Prospects

In view of the current stable supply of eggs and selling price, the Directors are optimistic about the forthcoming year's financial performance.

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 Dec 2018 RM'000	Current 12- MTD ended 31 Dec 2018 RM'000
Current year provision/(Reversal)	937	4,043
(Over)/Under provision in prior year	(6)	(42)
Deferred taxation/(Reversal)	6,561	6,879
	<u>7,492</u>	<u>10,880</u>

The group effective income tax rate is at approximately 26.4% due to adjustment of fair value accounting and the impact on increase of RPGT rate by 5%.

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 DECEMBER 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 4th Quarter ended 31 December 2018												
Secured												
Term loan	3,188	9,676	9,888	19,564	480	1,456	2,116	3,572	3,668	11,132	12,004	23,136
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	15,171	15,171	6	18	9,282	9,300	6	18	24,453	24,471
Sub total (1)				34,735				12,872				47,607
Unsecured												
Term loan	-	-	20,313	20,313	-	-	5,524	5,524	-	-	25,837	25,837
Bankers' acceptance	-	-	-	-	-	-	94,972	94,972	-	-	94,972	94,972
Revolving credit/OD	-	-	-	-	-	-	6,678	6,678	-	-	6,678	6,678
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				20,313				107,174				127,487
TOTAL Borrowings				55,048				120,045				175,094
as at 4th Quarter ended 31 December 2017												
Secured												
Term loan	3,657	11,086	11,093	22,179	468	1,419	1,930	3,349	4,125	12,505	13,023	25,528
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	6	18	11,625	11,643	41	124	8,409	8,533	47	142	20,034	20,176
Sub total (1)				33,822				11,882				45,704
Unsecured												
Term loan	-	-	17,231	17,231	-	-	5,643	5,643	-	-	22,874	22,874
Bankers' acceptance	-	-	-	-	-	-	104,192	104,192	-	-	104,192	104,192
Revolving credit/OD	-	-	-	-	-	-	5,000	5,000	-	-	5,000	5,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				17,231				114,835				132,066
TOTAL Borrowings				51,053				126,717				177,770

1. The decrease of RM2.7 million in the total borrowings representing approx. 1.5% was mainly due to lower utilization of bankers' acceptance from the trade purchase of raw material.
2. The foreign currency exchange rate of SGD1=RM3.0355 was used for the reporting as at 31 December 2018, whereas the interest rates are in the range of 2.39% p.a. to 4.84% p.a.

B8. Financial Instruments

The Group entered into the following currency contract to hedge the foreign currency purchases as at 31 December 2018:

Forward Foreign Currency Contracts	Nominal Value (RM'000)	Fair Value (RM'000)	Fair Value Changes (RM'000)
USD dollar (USD) - less than 1 year	1,790	1,801	(11)

B9. Trade Receivables

	<60 days RM'000	61-120 days RM'000	> 120 days RM'000	TOTAL RM'00	Credit Term (days)
External	47,393	4,248	2,144	53,785	Cash-150 days
Related parties	2,622	607	-	3,229	Cash-150 days
TOTAL Trade Receivables	50,015	4,855	2,144	57,014	
Impairment loss of trade receivables			(272)	(272)	
NET Trade Receivables	50,015	4,855	1,872	56,742	

The Net Trade Receivables is within the normal credit term of cash to 150 days according to the industry norm. 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 2nd interim single-tier dividend of RM0.025 per share amounting to approximately RM7.5 million in respect of the current quarter under review.

B12. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 31 Dec 2018	Preceding Quarter ended 30 Sep 2018
	RM'000	RM'000
Realised profit	268,391	244,494
Unrealised loss	(24,728)	(18,096)
Retained profit	<u>243,663</u>	<u>226,398</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:

	Current Quarter ended 31-Dec-18	Preceding Year Corresponding Quarter 31-Dec-17	Current YTD 31-Dec-18	Preceding YTD 31-Dec-17
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	17,265	14,468	30,363	3,460
Number of ordinary shares in issue ('000)	299,792	299,792	299,792	299,792
Basic earnings/(loss) per share (sen)	5.76	4.83	10.13	1.15
Diluted earnings/(loss) per share (sen)	5.76	4.83	10.13	1.15

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Dec 2018 RM'000	Cummulative 12-MTD 31 Dec 2018 RM'000
Interest income	(61)	(212)
Other income	(1)	(969)
Reversal of Impairment loss from trade receivables	8	(216)
(Gain) on disposal of PPE	(114)	(121)
(Gain)/Loss on foreign exchange - realised	(656)	(1,582)
(Gain)/Loss on foreign exchange - unrealised	17	136
Depreciation and amortisation	5,214	19,828

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 20 February 2019.