



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM'000	RM'000	RM'000	RM'000
Revenue	121,247	102,727	271,764	217,802
Operating expense	(113,953)	(102,054)	(233,476)	(206,652)
Other income	1,302	704	1,648	827
Finance cost	(2,145)	(2,083)	(4,308)	(4,095)
Profit/(Loss) before taxation	6,451	(706)	35,628	7,882
Tax expense	(1,367)	178	(8,455)	(1,800)
<b>Profit/(Loss) for the period</b>	<b>5,084</b>	<b>(528)</b>	<b>27,173</b>	<b>6,082</b>
Other comprehensive income:				
Available-for-sale financial assets	(1)	(4)	-	(5)
Currency translation differences	258	66	133	(259)
<b>Total comprehensive income/(expense) for the period</b>	<b>5,341</b>	<b>(466)</b>	<b>27,306</b>	<b>5,818</b>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	5,084	(528)	27,173	6,082
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	5,341	(466)	27,306	5,818
<b>Basic EPS (sen)</b>	<b>1.70</b>	<b>(0.18)</b>	<b>9.06</b>	<b>2.03</b>
<b>Diluted EPS (sen)</b>	<b>1.70</b>	<b>(0.18)</b>	<b>9.06</b>	<b>2.03</b>

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 2018.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited	Audited
	As At Current Quarter Ended	As at Preceding Financial Year Ended
	30-Jun-19	31-Dec-18
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	339,003	338,662
Right-of-use asset	3,545	-
Other investments	8	7
	<b>342,556</b>	<b>338,669</b>
<b>Current Assets</b>		
Biological assets	49,410	53,519
Inventories	40,558	42,320
Trade receivables	53,290	56,566
Other receivables and prepaid expenses	11,436	12,462
Tax recoverable	9,110	9,745
Derivative assets	31	-
Fixed deposit, bank and cash balances	31,896	30,001
	<b>195,731</b>	<b>204,613</b>
<b>TOTAL ASSETS</b>	<b>538,287</b>	<b>543,282</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	60,002	60,002
Treasury shares	(376)	(376)
Reserves	229,001	218,184
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>288,627</b>	<b>277,810</b>
<b>Non-Current Liabilities</b>		
Term loan	36,876	39,877
Hire purchase payable	12,792	15,172
Deferred tax liabilities	30,531	24,586
Lease liabilities	3,371	-
	<b>83,570</b>	<b>79,635</b>
<b>Current Liabilities</b>		
Trade payables	32,150	39,697
Other payables and accrued expenses	15,128	25,205
Hire purchase payable	7,972	9,300
Other bank borrowings	109,654	110,746
Derivative liabilities	-	11
Lease liabilities	985	-
Tax Liabilities	201	878
	<b>166,090</b>	<b>185,837</b>
<b>TOTAL LIABILITIES</b>	<b>249,660</b>	<b>265,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>538,287</b>	<b>543,282</b>

**Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)**

**0.96**

**0.93**

**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 2018.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Reverse Acquisition Reserves	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
Balance as at 1 Jan 2019	60,002	(26,078)	(376)	-	5	564	243,693	277,810
Profit after taxation for the period							27,173	27,173
Other comprehensive income/(expenses) for the period						133		133
Dividend paid/payable							(16,489)	(16,489)
<b>Balance as at 30 June 2019</b>	<b>60,002</b>	<b>(26,078)</b>	<b>(376)</b>	<b>-</b>	<b>5</b>	<b>697</b>	<b>254,377</b>	<b>288,627</b>
Balance as at 1 Jan 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/(expenses) for the period					(5)	(259)		(264)
Dividend paid/payable								-
<b>Balance as at 30 June 2018</b>	<b>60,002</b>	<b>(26,078)</b>	<b>(376)</b>	<b>-</b>	<b>10</b>	<b>161</b>	<b>220,881</b>	<b>254,600</b>

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 2018.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Current Year-to-date 30-Jun-2019 RM'000</b>	<b>Preceding Year-to-date 30-Jun-2018 RM'000</b>
Profit/(Loss) before taxation	35,628	7,882
Adjustments for non-cash flow:		
Non-cash items	10,495	10,143
Non-operating items	3,844	3,810
Operating profit before working capital changes	49,967	21,835
Changes in working capital		
Net changes in current assets	10,354	5,649
Net changes in current liabilities	(17,597)	(1,613)
Cash generated from operations	42,724	25,871
Interest income received	176	93
Income tax paid	(1,769)	(2,072)
<b>Net Cash Flow from Operating Activities</b>	<b>41,131</b>	<b>23,892</b>
Proceeds from disposal of property, plant and equipment	220	-
Proceeds from disposal available for sales assets	-	-
Purchase of property, plant and equipment	(9,484)	(16,252)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(9,264)</b>	<b>(16,252)</b>
Bank borrowings	(10,036)	(8,780)
Finance cost paid	(4,308)	(4,095)
Dividend paid	(16,489)	-
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(30,833)</b>	<b>(12,875)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>1,034</b>	<b>(5,235)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>28,324</b>	<b>19,368</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>29,358</b>	<b>14,133</b>
Cash and bank balances	31,896	14,133
Bank overdraft	(2,538)	-
<b>Total Cash and cash equivalents</b>	<b>29,358</b>	<b>14,133</b>

Notes:

1. The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2018.



**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2019**

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**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 2018 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.

The Group has adopted the Standard beginning on 1 January 2019:

**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.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The standard will affect primarily the accounting for the Group’s operating leases. For these lease commitments the Group expects an increase in total assets and total liabilities due to the recognition of right-of-use assets and lease liabilities.



**A3. Auditors' Report**

There was no qualification on the audited financial statements for the financial year ended 31 December 2018.

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

**A8. Dividend Paid**

A second interim single-tier dividend of RM0.025 per ordinary share amounting to approximately RM7,500,000 in respect of the financial year ended 31 December 2018 was declared on 20 February 2019 and paid on 25 April 2019.

A first interim single-tier dividend of RMRM0.03 per ordinary share amounting to approximately RM9,000,000 for the financial year ending 31 December 2019 was declared on 20 May 2019 and paid on 26 June 2019.

**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)**

	<b>Segmental Revenue</b>	<b>Profit/(Loss) before Taxation</b>
	<b>RM'000</b>	<b>RM'000</b>
Poultry Farming	240,990	32,517
Investment and Trading of Related Products	30,774	3,111
<b>TOTAL</b>	<b>271,764</b>	<b>35,628</b>



**Business Segments**

	Investment and Trading of related poultry products	Poultry Farming	Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
External	30,774	240,990		271,764
Internal	22,196		(22,196)	-
<b>Total Revenue</b>	<b>52,970</b>	<b>240,990</b>	<b>(22,196)</b>	<b>271,764</b>
Segment profit before interest & tax	21,982	36,308	(18,354)	39,936
Finance cost				(4,308)
<b>Unaudited Consolidated Profit/(Loss) before Tax</b>				<b>35,628</b>
Tax expense				(8,455)
<b>Unaudited Consolidated Profit/(Loss) after Tax</b>				<b>27,173</b>
<b>Assets</b>				
Segment Assets	83,918	447,783	(2,532)	529,169
Unallocated assets: Income producing assets				8
Unallocated assets: Tax recoverable				9,110
				<b>538,287</b>
<b>Liabilities</b>				
Segment Liabilities	17,069	33,780		50,849
Unallocated liabilities: Borrowings				167,295
Unallocated liabilities: current/deferred tax liabilities				31,516
				<b>249,660</b>

**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	6,614
Approved but not contracted for	5,151

**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 RM346.7 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-month ended 30-Jun-19	Cumulative 6-months ended 30-Jun-19
	RM'000	RM'000
Sales of eggs, veterinary products, egg trays and others	7,301	15,650
Purchase of day-old-chick, veterinary products and raw material	7,540	13,190
Transportation	1,994	4,339
Other services	239	434



**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 Quarter	Preceding Year Corresponding Quarter	Variance %	Current year-to-date	Preceding Year Corresponding Period	Variance %
	30-Jun-19	30-Jun-18		30-Jun-19	30-Jun-18	
	RM'000	RM'000		RM'000	RM'000	
<b>REVENUE</b>						
Poultry Farming	105,142	87,804	20%	240,990	188,365	28%
Investment and Trading	16,105	14,923	8%	30,774	29,437	5%
Total	121,247	102,727	18%	271,764	217,802	25%
<b>PROFIT/(LOSS) BEFORE TAX</b>						
Poultry Farming	3,831	(3,043)	-226%	32,517	4,140	685%
Investment and Trading	2,620	2,337	12%	3,111	3,742	-17%
Total	6,451	(706)	-1014%	35,628	7,882	352%

The Group recorded an impressive pre-tax profit of approximately RM35.6 million representing an increase of 352% on the back of a higher revenue of RM271.8 million representing an increase of 25% for the current period under review.

Poultry Farming

The revenue increased by RM52.6 million representing 28% higher mainly due to the higher selling price of eggs coupled with increase in sales quantities resulting from better production efficiency. It has contributed the higher pre-tax profit of RM32.5 million for the financial period under review.

Investment and Trading

The stable demand of the animal health products has contributed a slightly increase in revenue by 5% and recorded its pre-tax profit of RM3.1 million for the financial period under review.

**B2. Comparison with the Immediate Preceding Quarter's Results**

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance	
	30-Jun-2019	31-Mar-2019	RM'000	%
Revenue	121,247	150,517	(29,270)	(19.4)
Profit/(Loss) before Interest & Tax	8,596	31,340	(22,744)	(72.6)
Profit/(Loss) before Tax	6,451	29,177	(22,726)	(77.9)
Profit/(Loss) after Tax	5,084	22,089	(17,005)	(77.0)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,084	22,089	(17,005)	(77.0)

The lower revenue by RM29.3 million representing 19.4% mainly due to the decreased selling price of eggs for the current quarter under review. As a result, the Group recorded a lower pre-tax profit of RM6.5 million representing a decrease of 77.9%.



**B3. Current Year Prospects**

In view of the improved selling price of eggs and cost efficiency, the Directors are optimistic for the financial performance of the Group for the remaining 6 months period ending 31 December 2019.

**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-Jun-2019 RM'000	Current 6-MTD ended 30-Jun-2019 RM'000
Current year provision/(Reversal)	1,281	2,532
Deferred taxation/(Reversal)	85	5,916
Real Property Gain Tax ("RPGT")	1	7
<b>Total Tax Expenses</b>	<b>1,367</b>	<b>8,455</b>

The group effective income tax rate is at approximately 24%.

**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 2019 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
<b>as at 2nd Quarter ended 30 June 2019</b>												
<b>Secured</b>												
Term loan	2,965	9,063	8,830	<b>17,893</b>	472	1,444	2,116	<b>3,560</b>	3,437	10,507	10,946	<b>21,453</b>
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	12,792	<b>12,792</b>	-	-	7,972	<b>7,972</b>	-	-	20,764	<b>20,764</b>
<b>Sub total (1)</b>				<b>30,685</b>				<b>11,532</b>				<b>42,217</b>
<b>Unsecured</b>												
Term loan	-	-	18,983	<b>18,983</b>	-	-	5,237	<b>5,237</b>	-	-	24,220	<b>24,220</b>
Bankers' acceptance	-	-	-	-	-	-	93,319	<b>93,319</b>	-	-	93,319	<b>93,319</b>
Revolving credit/OD	-	-	-	-	-	-	7,538	<b>7,538</b>	-	-	7,538	<b>7,538</b>
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total (2)</b>				<b>18,983</b>				<b>106,094</b>				<b>125,077</b>
<b>TOTAL Borrowings</b>				<b>49,668</b>				<b>117,626</b>				<b>167,294</b>
<b>as at 2nd Quarter ended 30 June 2018</b>												
<b>Secured</b>												
Term loan	3,422	10,145	10,100	<b>20,245</b>	474	1,405	525	<b>1,930</b>	3,896	11,550	10,625	<b>22,175</b>
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	11,554	<b>11,554</b>	25	74	8,256	<b>8,330</b>	25	74	19,809	<b>19,883</b>
<b>Sub total (1)</b>				<b>31,799</b>				<b>10,260</b>				<b>42,058</b>
<b>Unsecured</b>												
Term loan	-	-	14,564	<b>14,564</b>	-	-	6,894	<b>6,894</b>	-	-	21,458	<b>21,458</b>
Bankers' acceptance	-	-	-	-	-	-	102,685	<b>102,685</b>	-	-	102,685	<b>102,685</b>
Revolving credit/OD	-	-	-	-	-	-	7,000	<b>7,000</b>	-	-	7,000	<b>7,000</b>
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total (2)</b>				<b>14,564</b>				<b>116,579</b>				<b>131,143</b>
<b>TOTAL Borrowings</b>				<b>46,363</b>				<b>126,839</b>				<b>173,201</b>

1. The decrease of RM5.91 million in the total borrowings representing approx. 3.4% was mainly due to lower utilization of bankers' acceptance from the trade purchase of raw material.
2. The foreign currency exchange rate of SGD1=RM3.0563 was used for the reporting as at 30 June 2019, whereas the interest rates are in the range of 1.88% p.a. to 8.1% p.a.



**B8. Financial Instruments**

The Group entered into the following currency contract to hedge the foreign currency purchases as at 30 June 2019:

Forward Foreign Currency Contracts	Nominal Value	Fair Value	Fair Value Changes
	RM'000	RM'000	RM'000
USD Dollar (USD) less than 1 year	2,355	2,319	36
EURO (€) less than 1 year	1,626	1,631	(5)

**B9. Trade Receivables**

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'00	
External	41,516	6,125	3,914	51,555	Cash-150 days
Related parties	1,227	2,114	87	3,428	Cash-150 days
TOTAL Trade Receivables	42,743	8,239	4,001	54,983	
Impairment loss of trade receivables			(1,693)	(1,693)	
NET Trade Receivables	42,743	8,239	2,308	53,290	

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**

There is no dividend recommended for the current quarter under review.

**B12. Realised and Unrealised Profit/(Loss)**

	Current Quarter ended	Preceding Quarter ended
	30-Jun-2019	31-Mar-2019
	RM'000	RM'000
Realised profit	284,956	288,806
Unrealised loss	(30,579)	(30,254)
Retained profit	254,377	258,552



**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	Preceding Year Corresponding Quarter	Current YTD	Preceding YTD
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	5,084	(528)	27,173	6,082
Number of ordinary shares in issue ('000)	299,792	299,792	299,792	299,792
Basic earnings/(loss) per share (sen)	1.70	(0.18)	9.06	2.03
Diluted earnings/(loss) per share (sen)	1.70	(0.18)	9.06	2.03

**B14. Notes to the Statement of Comprehensive Income**

	Current Quarter ended	Cummulative 6-MTD
	30-Jun-2019	30-Jun-2019
	RM'000	RM'000
Interest income	(102)	(176)
Other income	(527)	(1,008)
Reversal of Impairment loss from trade receivable	(284)	(288)
(Gain) on disposal of PPE	(174)	(178)
(Gain)/Loss on foreign exchange - realised	(169)	(76)
(Gain)/Loss on foreign exchange - unrealised	(156)	(21)
Depreciation and amortisation	5,209	10,323

**B15. Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors on 16 August 2019.