



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
Revenue	138,377	125,262	410,141	343,064
Operating expense	(113,167)	(115,658)	(346,643)	(322,310)
Other income	388	1,098	2,036	1,925
Finance cost	(2,005)	(2,098)	(6,313)	(6,193)
Profit/(Loss) before taxation	23,593	8,604	59,221	16,486
Tax expense	(5,548)	(1,588)	(14,003)	(3,388)
Profit/(Loss) for the period	18,045	7,016	45,218	13,098
Other comprehensive income:				
Available-for-sale financial assets	1	1	1	(4)
Currency translation differences	(164)	344	(31)	85
Total comprehensive income/(expense) for the period	17,882	7,361	45,188	13,179
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	18,045	7,016	45,218	13,098
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	17,882	7,361	45,188	13,179
Basic EPS (sen)	6.02	2.34	15.08	4.37
Diluted EPS (sen)	6.02	2.34	15.08	4.37

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-Sep-19	31-Dec-18
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	350,094	338,662
Right-of-use asset	3,454	-
Other investments	9	7
Goodwill on consolidation	94	-
	353,651	338,669
Current Assets		
Biological assets	50,826	53,519
Inventories	44,091	42,320
Trade receivables	61,140	56,566
Other receivables and prepaid expenses	6,511	12,462
Tax recoverable	1,173	9,745
Fixed deposit, bank and cash balances	41,675	30,001
	205,416	204,613
TOTAL ASSETS	559,067	543,282
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,002	60,002
Treasury shares	(376)	(376)
Reserves	246,883	218,184
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	306,509	277,810
Non-Current Liabilities		
Term loan	42,407	39,877
Hire purchase payable	12,751	15,172
Deferred tax liabilities	31,806	24,586
Lease liabilities	3,315	-
	90,279	79,635
Current Liabilities		
Trade payables	31,238	39,697
Other payables and accrued expenses	16,399	25,205
Hire purchase payable	7,673	9,300
Other bank borrowings	104,982	110,746
Derivative liabilities	4	11
Lease liabilities	178	-
Tax Liabilities	1,805	878
	162,279	185,837
TOTAL LIABILITIES	252,558	265,472
TOTAL EQUITY AND LIABILITIES	559,067	543,282

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

1.02

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							45,218	45,218
Other comprehensive income/(expenses) for the period					1	(31)		(30)
Dividend paid/payable							(16,489)	(16,489)
Balance as at 30 Sep 2019	60,002	(26,078)	(376)	-	6	533	272,422	306,509
Balance as at 1 Jan 2018	60,002	(26,078)	(376)	-	15	420	214,799	248,782
Profit after taxation for the period							13,098	13,098
Other comprehensive income/(expenses) for the period					(8)	85		77
Dividend paid/payable							(1,499)	(1,499)
Balance as at 30 Sep 2018	60,002	(26,078)	(376)	-	7	505	226,398	260,458

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

	Current Year-to-date 30-Sep-2019 RM'000	Preceding Year-to-date 30-Sep-2018 RM'000
Profit/(Loss) before taxation	59,221	16,486
Adjustments for non-cash flow:		
Non-cash items	15,769	16,062
Non-operating items	5,686	5,818
Operating profit before working capital changes	80,676	38,366
Changes in working capital		
Net changes in current assets	5,488	(1,710)
Net changes in current liabilities	(19,122)	6,920
Cash generated from operations	67,042	43,576
Interest income received	266	151
Income tax refunded/(paid)	2,717	(2,288)
Net Cash Flow from Operating Activities	70,025	41,439
Proceeds from disposal of property, plant and equipment	293	18
Purchase of property, plant and equipment	(23,876)	(23,282)
Net acquisition of subsidiary	(1,338)	-
Net Cash Flow from/(used in) Investing Activities	(24,921)	(23,264)
Bank borrowings	(8,994)	(9,114)
Finance cost paid	(6,313)	(6,193)
Dividend paid	(16,489)	(1,499)
Net Cash Flow from/(used in) Financing Activities	(31,796)	(16,806)
Net Increase/(Decrease) in cash and cash equivalents	13,308	1,369
Cash and cash equivalents at the beginning of the financial period	28,324	19,368
Cash and cash equivalents at the end of the financial period	41,632	20,737
Cash and bank balances	41,675	20,737
Bank overdraft	(43)	-
Total Cash and cash equivalents	41,632	20,737

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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

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 lease 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)

	Segmental Revenue	Profit/(Loss) before Taxation
	RM'000	RM'000
Poultry Farming	362,145	53,640
Investment and Trading of Related Products	47,996	5,581
TOTAL	410,141	59,221



Business Segments

	Investment and Trading of related poultry products	Poultry Farming	Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	47,996	362,145		410,141
Internal	27,341		(27,341)	-
Total Revenue	75,337	362,145	(27,341)	410,141
Segment profit before interest & tax	6,040	59,600	(106)	65,534
Finance cost				(6,313)
Unaudited Consolidated Profit/(Loss) before Tax				59,221
Tax expense				(14,003)
Unaudited Consolidated Profit/(Loss) after Tax				45,218
Assets				
Segment Assets	86,095	474,100	(2,309)	557,886
Unallocated assets: Income producing assets				8
Unallocated assets: Tax recoverable				1,173
				559,067
Liabilities				
Segment Liabilities	7,156	43,979		51,135
Unallocated liabilities: Borrowings				167,813
Unallocated liabilities: current/deferred tax liabilities				33,610
				252,558

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	6,378
Approved but not contracted for	15,863

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, except acquisition of a wholly-owned indirect subsidiary company, Professional Vet Enterprise Sdn Bhd, which has been completed on 18 September 2019.



A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM354.6 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-Sep-19 RM'000	Cumulative 9-months ended 30-Sep-19 RM'000
Sales of eggs, veterinary products, egg trays and others	7,632	23,282
Purchase of day-old-chick, veterinary products and raw material	7,888	21,078
Transportation	2,339	6,678
Other services	144	578

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-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	121,155	109,689	10%	362,145	298,054	22%
Investment and Trading	17,222	15,573	11%	47,996	45,010	7%
Total	138,377	125,262	10%	410,141	343,064	20%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	21,123	6,663	217%	53,640	10,803	397%
Investment and Trading	2,470	1,941	27%	5,581	5,683	-2%
Total	23,593	8,604	174%	59,221	16,486	259%

The Group recorded an impressive pre-tax profit of approximately RM59.2 million representing an increase of 259% on the back of a higher revenue of RM410.1 million representing an increase of 20% for the current period under review.

Poultry Farming

The revenue increased by RM64.1 million representing an increase of 22% mainly due to the rebounded selling price of eggs coupled with increase in sales quantities of eggs resulting from better sustainable production efficiency. It has contributed the higher pre-tax profit of RM53.6 million, an increase of 397% 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 7% and recorded its pre-tax profit of RM5.6 million for the financial period under review.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended 30-Sep-2019	Immediate Preceding Quarter Ended 30-Jun-2019	Variance	
	RM'000	RM'000	RM'000	%
Revenue	138,377	121,247	17,130	14.1
Profit/(Loss) before Interest & Tax	25,598	8,596	17,002	197.8
Profit/(Loss) before Tax	23,593	6,451	17,142	265.7
Profit/(Loss) after Tax	18,045	5,084	12,961	254.9
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	18,045	5,084	12,961	254.9



The revenue increased by RM17.1 million representing 14.1% mainly due to the improved selling price of eggs for the current quarter under review. In line with the increase in revenue, the Group recorded an impressive pre-tax profit of RM23.6 million representing an increase of 266%.

B3. Current Year Prospects

In view of our stable feed cost and cost efficiency, the Directors are satisfactory for the financial performance of the Group for the remaining 3 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-Sep-2019 RM'000	Current 9-MTD ended 30-Sep-2019 RM'000
Current year provision/(Reversal)	4,288	6,820
Deferred taxation/(Reversal)	1,311	7,227
Real Property Gain Tax ("RPGT") (refund)	(51)	(44)
Total Tax Expenses	5,548	14,003

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 September 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
as at 3rd Quarter ended 30 September 2019												
Secured												
Term loan	2,846	8,623	8,601	17,224	477	1,445	2,115	3,560	3,322	10,068	10,716	20,784
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	53	159	12,592	12,751	30	91	7,582	7,673	83	250	20,174	20,424
Sub total (1)				29,975				11,233				41,208
Unsecured												
Term loan	-	-	25,184	25,184	-	-	5,237	5,237	-	-	30,421	30,421
Bankers' acceptance	-	-	-	-	-	-	91,141	91,141	-	-	91,141	91,141
Revolving credit/OD	-	-	-	-	-	-	5,043	5,043	-	-	5,043	5,043
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				25,184				101,421				126,605
TOTAL Borrowings				55,159				112,654				167,813
as at 3rd Quarter ended 30 September 2018												
Secured												
Term loan	3,306	10,000	9,664	19,664	477	1,443	2,115	3,558	3,783	11,443	11,779	23,222
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	11,588	11,588	14	42	8,499	8,541	14	42	20,087	20,129
Sub total (1)				31,252				12,099				43,351
Unsecured												
Term loan	-	-	16,658	16,658	-	-	5,744	5,744	-	-	22,402	22,402
Bankers' acceptance	-	-	-	-	-	-	102,728	102,728	-	-	102,728	102,728
Revolving credit/OD	-	-	-	-	-	-	7,000	7,000	-	-	7,000	7,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				16,658				115,472				132,130
TOTAL Borrowings				47,910				127,571				175,481

- The decrease of RM7.7 million in the total borrowings representing approx. 4.4% was mainly due to lower utilization of short term borrowings from the trade purchase of raw material.
- The foreign currency exchange rate of SGD1=RM3.0304 was used for the reporting as at 30 September 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 September 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	630	636	(6)
EURO (€) less than 1 year	679	669	10

B9. Trade Receivables

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'00	
External	45,898	5,901	5,708	57,507	Cash-150 days
Related parties	2,878	1,466	937	5,281	Cash-150 days
TOTAL Trade Receivables	48,776	7,367	6,645	62,788	
Impairment loss of trade receivables			(1,648)	(1,648)	
NET Trade Receivables	48,776	7,367	4,997	61,140	

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

In view of the improved financial performance of the Group, the Board of Directors declared second interim single-tier dividend of RM0.02 per share amounting to approximately RM6.0 million in respect of the current financial period under review.

B12. Realised and Unrealised Profit/(Loss)

	Current Quarter ended	Preceding Quarter ended
	30-Sep-2019	30-Jun-2019
	RM'000	RM'000
Realised profit	304,396	284,956
Unrealised loss	(31,974)	(30,579)
Retained profit	272,422	254,377



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-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	18,045	7,016	45,218	13,098
Number of ordinary shares in issue ('000)	299,792	299,792	299,792	299,792
Basic earnings/(loss) per share (sen)	6.02	2.34	15.08	4.37
Diluted earnings/(loss) per share (sen)	6.02	2.34	15.08	4.37

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended	Cummulative 9-MTD
	30-Sep-2019	30-Sep-2019
	RM'000	RM'000
Interest income	(90)	(266)
Other income	(584)	(1,592)
Reversal of Impairment loss from trade receivable	(73)	(361)
(Gain) on disposal of PPE	(16)	(194)
(Gain)/Loss on foreign exchange - realised	254	178
(Gain)/Loss on foreign exchange - unrealised	185	164
Depreciation and amortisation	5,173	15,496

B15. Authorisation for Issue

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